

WEEKLY

Television Digest

with

Consumer Electronics . . .

The authoritative service for executives in all branches of the television arts & industry

AUGUST 5, 1963

NEW SERIES, VOL. 3, No. 31

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COLLINS CONTRASTS U.S. & UK TV: U.S. TV system is better than Britain's. Though he's much too courtly to put it in such words, that's NAB Pres. Collins' opinion. In news conference after return last week, he gave his impressions, including:

(1) "TV is not a basic part of the English way of life, as it is in the U.S. It's collateral, in a sense. For example, there's nothing on TV in the morning, little in the afternoon. It's a sort of spoon-feeding process, instead of a fountain, always available, as it is here... TV doesn't have the impact on the economy as it does here. There's no real local radio service... I was amazed at the lack of understanding of what TV can render to the public."

(2) "They do some things extraordinarily well... News, interpretation, documentaries, sports, dramatic work... But they take much greater license than we do, with profanity in drama, and so forth."

(3) "They do a remarkably good job with commercials. They give attention to quality. They minimize interruptions, and the public is less prone to protest. Our broadcasters could learn much in this area... The advertisers are happy with the system... I'm not advocating the 'magazine concept' in that I think a sponsor should be divorced from a program. I believe he should have the freedom to be associated with a program, but the broadcaster should always have the responsibility for the programs."

(4) "BBC & ITA do considerable sampling of the public's program preferences. But since there's no commercial competition among stations, there isn't the same need for ratings we have. BBC samples some 3,000 people a day."

(5) "Our newspapers have far higher standards... Sensational coverage of the Profumo-Keeler affair... Broadcast coverage was much more limited."

(6) "I found it very difficult to adjust their receivers for a good picture... Hotels don't seem to concern themselves with a good antenna or good service. I had the feeling that the sets didn't measure up. I had the impression that the transmission is good." Collins didn't get to continent, thus had no comment on other countries' TV.

TRANSLATORS VS. CATV IN NEBRASKA: Station-CATV conflict in Scottsbluff, Neb., one of most unusual, moved to another stage last week. FCC granted 2 vhf translators there to KSTF, also granted station 2 uhf translators each in Borie & Albin, Wyo., to relay Denver station signals to Scottsbluff.

Collier Electric Co. operates CATV system in Gehring, across river from Scottsbluff, has long wanted to put a system in Scottsbluff. KSTF is satellite of KFBC-TV Cheyenne, whose principal William Grove is long-time foe of CATV.

Translator grants put Grove in position to feed 3 free signals to Scottsbluff area, and question now is whether this will kill or shrink CATV system. Another interesting aspect of situation is that FCC granted waivers of rules so that Borie & Albin translators can be used primarily for relaying purposes. Normally, FCC grants translators to serve viewers in their areas, not primarily as relays.

Another FCC action affecting station-CATV relations came in Yuma, Ariz. CATV operator Bruce Merrill, who also operates KIVA (Ch. 11) there, sought to block grants (on economic grounds) of Ch. 7 & 9 stations in El Centro, Cal., which would put signals into Yuma, which also has CP for KBLU-TV (Ch. 13). The 3 potential new competitors would hit both KIVA and CATV system. Commission turned down KIVA's objections because it believes the facts it presented are "too inconclusive."

Canadian CATV operators have hands full, too. Latest problem is introduction of bill which would put CATV under control of Board of Broadcast Governors by widening definition of broadcasting to include "the redissemination for commercial gain of broadcast matter by wired transmission intended to be received by private persons."

GM & L-O-F COMMERCIALS RULED ILLEGAL: Those controversial 1957-58 auto glass commercials of General Motors & Libbey-Owens-Ford were judged "spurious or fake" by FTC last week. It adopted initial decision of July 1962, with modifications, and ruled that commercials were illegal because of inaccuracy & unfair methods of competition in advertising. Companies have 20 days to file objections.

FTC held that, contrary to commercials: (1) Safety plate glass used in side windows of GM cars is lower in quality than windshield. (2) Auto safety sheet glass of non-GM cars is higher in quality than home window glass. (3) Demonstrations of perceptible disparity between safety plate glass & safety sheet glass weren't accurate under ordinary conditions.

Comr. Everette MacIntyre, speaking for Commission, said: "What appears to be in one commercial, a real comparison in distortion characteristics between plate glass and sheet glass is not that at all; it is actually a comparison between 'empty space and sheet glass' since the picture purportedly taken through plate glass was actually taken through an open window. MacManus, John & Adams was agency for GM commercials.

FCC GEARS FOR DROP-IN ARGUMENT: Ground rules for vhf drop-in oral argument Oct. 4, changed from Sept. 19 (Vol. 3:30 p2), were announced by FCC last week. It said it wants to hear about:

(1) What policy will give more network competition. (2) Impact of vhf drop-ins on uhf growth. (3) Whether vhf drop-in grantees should also operate uhf, and whether they should have to shift to uhf by some date. (4) When will competition develop in the 7 markets—with or without drop-ins.

Participation in oral argument is limited to those who filed petitions for reconsideration or opposition to such petitions.

FCC also explained why it granted short-spaced move-in of KOCO-TV from Enid to Oklahoma City: Station couldn't cover latter city adequately from distant site—and move-in wouldn't hurt uhf. Comr. Loevinger offered concurring statement saying that MST had no standing in case, had no right to file an opposition. Also, he said, the antenna-move issue has nothing to do with the 7 drop-in cases.

NIELSEN & NAB TALK TURKEY: Top Nielsen & NAB officials got down to bedrock on ratings in Chicago last week to find out how close the researcher is to endorsing NAB's reform plan.

It was a meeting of chieftains: A. C. Nielsen Sr. & Jr., Exec. vp Henry Rahmel. For NAB, Don McGannon, Group W pres., & Howard Bell, NAB planning & development vp.

Bell said meeting was "satisfactory," believes company will back up earlier expressions of desire to cooperate. Nielsen said it would examine its position. NAB hopes next time it hears from Nielsen it will be in form of application for accreditation, indicating final endorsement. These have been received from virtually all active rating firms (Vol. 3:28 p3).

Meeting was candid exchange of views. NAB spokesmen told Nielsen it wasn't happy with way rater sent its 16-page audit plan to entire industry (Vol. 3:30 p4). NAB representatives said they were unhappy because Nielsen's action invited voluminous comments at a time when Nielsen & NAB were moving toward conclusion of negotiations.

Nielsen's suggestion to have research companies serve as members of "industry committee" was turned down by NAB. Assn. also said that setting of standards & official accreditation were key elements of NAB plan and would stay in. Nielsen suggested audit-only.

Minimum standards germane to all services have been compiled by Melvin Goldberg, NAB research vp. They include such requirements as: Training of interviewers; quality control of field supervisors, editors, tabulators; guidelines on size of sample needed to accomplish different research objectives. Accreditation will depend on raters' compliance with these minimum standards, as well as those outlined in individual methods questionnaire.

Harris Subcommittee staff pored over Nielsen's plan last week, found it wanting in essentially same areas NAB did, we were told. Harris staff also backs ratings plan advanced in editorials by Sol Paul, "TV Age" publisher. It would provide that ratings be expressed in ranges rather than in fixed estimates. Staff plans to recommend it to Subcommittee for final adoption in report. Advertising Research Foundation also supports idea. Researchers we've checked with, however, believe it would create additional problem: If a station gets a "10-20" rating, it would be inclined to promote the "15" average or even the "20."

'A NEW ELECTRONIC CONSUMER PRODUCT?' More & more consumer electronics leaders these days are publicly goading their engineers—usually in luncheon speeches—to come up with "a new electronic consumer product." In view of fact that consumer segment of electronics industry has been progressing at slower rate than any other division (20% growth since 1959 vs. 70% for military & space electronics, 68% for industrial electronics), challenge seems well warranted.

Garage-door openers and programmed vacuum cleaners aren't the answer. Home video tape recording may not be answer, either, in view of fact that there already is an adequate home movie industry. Perhaps it's time to take new, unbiased look at an old proposal—one, which, if it succeeded, might start new consumer electronics boom of TV proportions. It's a product which would belong directly to same industry which successfully pioneered, developed & sold TV.

This product is home facsimile—the "fax" which created flurry of excitement in the 1930s & 1940s, until it was eclipsed by TV and then virtually forgotten as potential broadcasting & consumer medium, although it has become highly developed commercially & industrially.

As result of recent developments, fax now holds promise of providing unlimited supply of printed matter for the American family at virtually no cost except initial purchase price of receiver—about equivalent to TV set. Magazines, books, newspapers, trade publications, encyclopedias, photos, art treasures could be transmitted to homes instantaneously and in practically unlimited quantities.

Home facsimile is far more practical now than it was 20-30 years ago when several pioneers pushed it hard, even to extent of widespread home tests. Now, TV stations could add fax transmitting equipment at low cost to originate printed matter during non-broadcast hours. If fax succeeded as consumer medium, full-time stations could be assigned, TV network lines now span continent, making possible transmission of national publications (with regional news & ads inserted by local stations, if desired). Cathode-ray electronic printing tubes (such as one used in A. B. Dick address-

ing system) and refinements in xerography help to make possible new & more efficient techniques of home reception.

One of biggest drawbacks of fax in the 40's may now have been overcome—its fantastic appetite for expensive, sensitized paper. John R. Porterfield, TV & facsimile pioneer, onetime TV set distributor & broadcaster, has applied for patent on new system which nearly eliminates cost of paper. A far cry from old techniques which devoured rolls of paper, his system uses paper-thin plastic sheets—unsensitized—and printing by magnetic "ink." Both "ink" & "paper" are re-usable. When material has been read, it is stacked in hopper and automatically erased, the ink returning to its reservoir.

Porterfield's system also has provision for magnetic "binding" of paper into magazine format. Binding is removed automatically when plastic paper is re-used. For material of more than temporary interest, "permanent" button is pressed on receiver, and magnetic ink is permanently fixed to either plastic or regular paper.

This is just one system—undoubtedly others could be developed to overcome fax's former shortcomings. As to costs, Porterfield estimates cathode-ray printing tube in quantities would cost about same as picture tube, and whole receiver initially would occupy no more space than TV lowboy console.

He estimates material could be printed at rate of better than 3 pages a minute—standard magazine size—possibly much faster, depending on bandwidth, resolution, etc. Receivers would have to be equipped with "programmer-timer" so that channel & time could be preset for tuning at any hour of day or night. "Program guide," presumably also distributed by facsimile, would list week's vast catalog of material by time & channel.

If you say you've heard this song before, you're undoubtedly right. But home facsimile may well be worth 2nd look in context of recent electronics developments, and because of these potential characteristics: (1) It would satisfy a public need—judging by vast recent increases in printed material. (2) It can be justified in terms of economy—in year's time, consumer could far more than recapture initial investment in price of magazines, books & newspapers alone. (3) It would fulfill important public educational service. (4) Its program material is virtually unlimited. (5) It could provide greatest ad medium in history of printing—"Reader's Digest" could increase circulation from current 12 million to 50 million. (6) It could supplement costly printing, mail & newsstand circulation of publications. (7) It follows successful TV-radio pattern of broadcaster-manufacturer-consumer relationship.

Is this blue-sky dreaming? Was TV? Remember, not one major scientific breakthrough is required to develop practical home facsimile. Want a new consumer product? Perhaps it's time to re-evaluate fax.

CAPSULES

Group W embarks on long-awaited theatre-&-TV project this fall. Simultaneous with opening of "The Advocate" on Broadway Oct. 13, videotaped version will be presented on company's 5 stations. Broadcaster investment will be about \$150,000 (\$60,000 as 60% partner in play; about \$90,000 for taping). Taping will be done about 2 weeks before opening, with benefit of lighting not available on stage. TV version will be offered for sponsorship—ads to be slotted at beginning, between acts & close. Plans for syndication depend on movie rights; it could be syndicated 90 days after play's Broadway closing or not for several years if movie deal is made. Project was announced by Don McGannon, Group W pres.; it's under direction of Herman Land, creative services dir.

By far tallest man-made structure in world will be 2,063-ft. tower of KEND-TV (Ch. 11) Fargo, construction starting in Sept. Current record holder is 1,749-ft. Columbus, Ga. tower. Structure will be built by Kline Iron & Steel Co., Columbia, S. C., which also holds contracts for 1,800-ft. & 2,000-ft. towers—stations not yet identified. Pres. B. H. Kline reports that Bethlehem Steel is so proud of its work that it's taking ads in major national publications.

NEW & UPCOMING STATIONS: WQAD-TV (Ch. 8) Moline, Ill., year's 6th new starter, began as ABC-TV primary outlet Aug. 1. On-air total now is 640 (525 vhf commercial). Non-commercial total is changed to 79 with resumption of KTXT-TV (Ch. 5 ETV) Lubbock, Tex., off-air June & July.

WQAD-TV uses 25-kw RCA transmitter, 1065-ft. Stainless tower, RCA traveling wave antenna, at site near Orion, Ill. Frank P. Schreiber, ex-WGN-TV Chicago, is pres. & gen. mgr.; Lad F. Hlavaty, ex-KCRG-TV Cedar Rapids, chief engineer; Les C. Rau, ex-KWWL-TV Waterloo, Ia., dir. of sales; C. Douglas McCarty, ex-KETV Omaha, dir. of programming; Jack Wilson, ex-KETV, production dir. Base hour is \$900. Rep is H-R Television.

Note: Three CP-holders report delays in construction. WEPA-TV (Ch. 66) Erie, Pa. states that all activity is in abeyance pending FCC approval of request to change to Ch. 24; KVSF-TV (Ch. 2) Santa Fe, N. M. reports difficulties in coming to agreement with U. S. Forest Service on a transmitter site; KBLU-TV (Ch. 13) Yuma, Ariz. states it can't move until "current protests against us from KIVA are resolved by FCC."

* * * *

In our continuing survey of upcoming stations, here are the latest reports received from principals:

WGHP-TV (Ch. 8) High Point, N. C. has nearly completed construction, reports James W. Coan, pres. Oct. 1 is target for start with ABC-TV. It will use RCA transmitter, 1117-ft. Kline tower. Nat Tucker, ex-WBTV Charlotte, N. C. will be program & production dir.; Leo Derrick, ex-WFMY-TV, Greensboro, N. C. promotion & public relations dir.; Charles Harville, ex-WFMY-TV, sports dir.; Fred Barber, ex-WSOC-TV Charlotte, N. C. news dir. Rates and rep not set.

WHNT-TV (Ch. 10) Huntsville, Ala. has CBS-TV affiliation and plans start between Sept. 15 & Oct. 1, according to John Godbold, secy.-treas. It has ordered RCA transmitter, will use 254-ft. Blaw-Knox tower.

KECC-TV (Ch. 9) El Centro, Cal. hopes to start about Oct. 1 with ABC-TV, writes pres. H. S. Killgore. RCA transmitter & 605-ft. Rohn tower have been ordered.

WCIU (Ch. 28) Chicago, Ill. has Oct. target, reports John Wigel, pres. RCA 12.5-kw transmitter is due Aug. 15 for installation in Board of Trade Bldg. Tower is now ready for erection.

Happy with Hartford pay-TV experiment, RKO General chief Thomas O'Neil & Zenith pres. Joseph S. Wright issued statement terming first year's operation "encouraging & enlightening." O'Neil said it's too early for "complete conclusions" but tests showed that system meets a public need, that program expenditures "are consistent" and that subscriber dropouts are "remarkably low." He said 3,000 homes are served, and many more could be if operators chose to accelerate installations. Wright said "it appears that our confidence in subscription TV was justified. . . We believe that commercial TV will not lose. . . but will benefit eventually through renewed interest in TV as a medium, through encouraging the establishment of new stations and stimulating the creative talents of the entertainment industry." O'Neil said most major film distributors, except Universal & 20th Century, have cooperated.

FIRST ETV GRANTS SOON: HEW expects to make first federal grants for ETV station construction by Sept. 1, states John Hurley, deputy undersecretary for ETV. There are 14 applications requesting total of \$2,594,734 (Vol. 3:30 p5)—though Congress appropriated only \$1.5 million for first year.

There's no formal priority system in granting of funds, says Hurley. It's Congress's primary intent to establish new stations, but applications for expansion of facilities "will receive full consideration, too," he asserts.

Three general standards in statute guide HEW in grants: (1) Effective use of channels. (2) Equitable geographic distribution. (3) Greatest number of persons in as many areas as possible must be served.

Initial grants will be made from first 2 groups of applications—those accepted by June 29 & July 13. HEW has a 30-day waiting period after acceptance. New point-to-point service (Vol. 3:30 p2) doesn't qualify for grants.

Bill signed by President Kennedy in May 1962 authorizes \$32 million for ETV construction over 5-year period. With first grants to be made soon, 4 years remain.

Four types of color cameras—including "separate luminance" version using only 3 camera tubes—were demonstrated in London to EBU delegates now evaluating 3 proposed European color TV standards. All 4 Marconi cameras will work with any of the standards being considered—U. S.'s NTSC, France's SECAM, Germany's PAL (Phase Alternation Line system, developed by Telefunken). Color cameras shown by Marconi: (1) Camera with 3-in. image orthicons, one tube for luminance (b&w) signal, 2 for red & blue, the green signal being derived from the other 3. (2) 4-tube camera, with luminance signal produced by new type of pickup tube, Philips' "Plumbicon," said to combine excellent sensitivity & resolution with simplicity of vidicon. (3) Standard type 3-tube camera with 3-in. image orthicons. (4) Camera with three 4 1/2-in. image orthicons. The 3-in. image orthicons in new cameras are new type developed by English Electric Valve Co.; sensitivity of photocathode in "blue" tube has been markedly increased to compensate for low sensitivity of "blue" channel.

Interim 3-point editorializing guidelines issued by FCC nearly 2 weeks ago (Vol. 3:30 p3) were challenged by NAB last week as too restrictive, got FCC to clarify language. FCC originally advised that if station presents views on current topic, e. g. racial issue, it must offer "all" responsible community groups opportunities for expression. Literally, NAB said this could include groups with similar ideas. FCC changed it to say station must consult "other"—not "all"—groups to get contrasting views. In other development, Rep. Celler (D-N. Y.) was scheduled to say on WOR-TV N. Y. Aug. 4 that efforts to prevent editorializing "should be resisted." He suggested stations offer "letters to the editor" program at fixed times for public viewpoints on station stands.

Value of short-spaced vhf drop-ins is not the only aspect creating "to-do" over proposals to add the vhf stations (Vol. 3:30 p2), according to Clair McCollough, Steinman Stations. He takes exception to our report which stresses demand for the facilities, says: "The big to-do is over the loss of service short-spacing will bring. This is the kind of thing that ruined AM radio coverage."

Personals

Paul Sonkin, ABC-TV audience measurements mgr., promoted to research dir.; Seymour Amlen, program analysis & marketing mgr., to assoc. research dir.; John Tiedemann, audience measurements supervisor, succeeds Sonkin; Sheldon Jacobs, senior research analyst, succeeds Tiedemann.

Gene Walsh, NBC asst. trade news editor, promoted to business & trade publicity mgr., succeeded by Richard J. Connelly.

Robert Howard promoted to national sales mgr., WNBC-TV N. Y., succeeding Jay J. Heltin, who joins Santa Barbara College staff.

Joseph E. Baudino, Westinghouse Bcstg. vp, Washington, appointed chmn., NAB by-laws committee.

Howard Grafman, ex-gen. mgr., radio WXFM Chicago, appointed central div. sales mgr., Allied Artists TV... Ted Hardy appointed merchandising dir., KXTV Sacramento.

Frank B. Parrish, sales promotion mgr., Gates Radio, promoted to adv. mgr... William Dutcher, production mgr., WMT-TV Cedar Rapids, appointed station mgr., WMT-FM, succeeding Daniel Katz, who joins Katz Agency, N. Y.

Robert Chandler, ex-MGM-TV, appointed information & special services dir., CBS News, succeeding Josef C. Dine, named information dir., CBS Labs... William A. Brendle, ex-ABC-TV, named CBS-TV press information sports mgr.

P. W. (Pat) Valicenti promoted to asst. chief, FCC Hearing Div.; Otis Hanson named chief, Aural Existing Facilities Branch.

John M. Taff, from Rules & Standards Div., appointed engineering asst. to FCC Comr. Loevinger.

Herbert E. Forrest advances to partner in Welch, Mott & Morgan, Washington TV-radio law firm... Fred G. Goddard resigns as vp-gen. mgr., radio KXRO Aberdeen, Wash., to concentrate on CATV holdings in Wash., Ore. & Cal.

Jerry Marcus promoted to asst. gen. sales mgr., KTLA Los Angeles; Jerry Birdwell to exec. asst. to Carlo Anneke, gen. sales mgr.

Bill Sikes, ex-producer-dir., KAKE-TV Wichita, named program dir., Kansas State Network... Mitchell Krauss, news & programs dir., WRUL N. Y. elected operations vp.

Henry S. Noerdlinger, veteran movie researcher-author, named mgr., National Education Assn.'s new motion picture, TV, radio information center, Los Angeles.

Obituary

Murray B. Grabhorn, 62, broadcast veteran & recently asst. dir., Multiple Sclerosis Society, died July 26. Twice pres. of Radio Executives Club, N. Y. (now International Radio & TV Society), he had served as ABC vp & Station Representatives Assn. managing dir. He is survived by 2 daughters.

Television Digest

PUBLISHED BY TELEVISION DIGEST, INC.

HEADQUARTERS: 2025 Eye St., N.W., Washington 6, D. C.
Phone: 965-1985. TWX: 202-965-0979

EDITORIAL

ALBERT WARREN,
Editor & Publisher

JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager

RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

TELEVISION DIGEST. Published Mondays. Services: \$75-\$150 annually.
For group rates & other subscription services, write Headquarters.

TELEVISION FACTBOOK
Published Annually

TV & AM-FM ADDENDA
Published Saturdays

AM-FM DIRECTORY
Published Annually

TIME INC. JOINS TTC DEAL: Transcontinent TV Corp. wrapped up its \$38.5 million sale of stations (Vol. 3:15 p3, et seq.)—with a change from previous lineup, Time Inc. taking uhf KERO-TV Bakersfield.

Taft Bcstg. acquires WGR-TV-AM-FM Buffalo, WDAF-TV-AM-FM Kansas City & WNEP-TV Scranton. Midwest TV Inc. (August Meyer), previously set to acquire KFMB-TV-AM-FM San Diego & KERO-TV, gets former only—Time Inc. taking Bakersfield for approximately \$1.5 million, same bid as Meyers'.

TTC stockholders will receive \$21.20 a share, will still hold WDOK-AM-FM Cleveland (valued at 80¢ a share) because FCC rules preclude sale until they've been held 3 years. Whole transaction requires FCC approval and favorable Internal Revenue Service ruling.

Timidity in public affairs programming is based on broadcaster fear of govt. reprisal, concludes Aug. 10 "TV Guide." Magazine quotes senators, congressmen, FCC commissioners, NAB Pres. Collins. Rep. Harris (D-Ark.) says "broadcasters are afraid of government regulation... of the power of the FCC over license renewal." FCC Chmn. Henry thinks "the fear is healthy." It's better than complacency. We are their conscience." Comr. Cox says it's not fear but "economic resentment."

Encyclopaedia Britannica's first network TV buy is half-sponsorship of NBC-TV's "Exploring", educational series for children. Newton Minow, who plugged for more children's programming while FCC chmn., joined EB in June as exec. vp.

Reception for FCC Comr. Loevinger by Broadcasters Club takes place Sept. 12. On Sept. 5, there's gathering for about 30 visiting foreign broadcasters, similar to last year's.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

FIRST IMPARTIAL REPORT ON TELCAN: That British home video-tape recording system (Vol. 3:27 p 11) has been inspected by at least one engineering team in behalf of American TV manufacturer—with unimpressive results.

This U. S. set maker has decided it is uninterested in Telcan process in present form—on basis of report by engineers who analyzed the device. Developed by Telcan Co., East Bridgeford, Nottinghamshire, machine is claimed to produce picture with 300 lines definition, 2-mc bandwidth, on standard 1/4-in. audio tape run at 120 in. per second. Proponents state that home TV recorder could be built to retail at less than \$200, or add only about 25% to price of set if built as integral part of TV receiver.

Engineers who inspected machine were dissatisfied on several points: (1) They likened picture quality to transatlantic newsfilm shots transmitted via undersea cable, which they felt was unsatisfactory for routine home use, although it might be usable for recording of historic events which couldn't be captured in action any other way. (2) Recording head reportedly has life of only 100 hours, then must be replaced. (3) Machine's appetite for tape (nearly 7 miles of it for 60-min. recording) makes it uneconomical. (4) Fact that it will only record 15-20 min. without reversing or changing reel makes it inconvenient.

Study team also had reservations about cost figures submitted by Telcan, feeling that in actual production they might be several times as high.

Telcan Co. indicated that it won't meet its planned deadline of pre-Christmas marketing this year in England, meanwhile. It's now quoting early 1964 for sampling British market, with U. S. arrangements possible by fall of 1964.

"We will continue to watch its progress," an official of the U. S. manufacturer said, "but at present there are too many shortcomings for us to be interested."

DISCOUNTER RALLIES COMPETITORS FOR PRICE FIGHT: Going Zenith & Motorola one step better in their campaigns to recruit distributor & dealer support for Quality Stabilization legislation (Vol. 3:28 p9 et seq.), a small Rhode Island discounter has triggered regional counter-offensive that well may become pattern for protest throughout country.

Dismayed by discount industry's general apathy in face of growing support for QS legislation, Irwin Chase, pres. of Ann & Hope Factory Outlet Inc. (150,000-sq.-ft. company-operated discount dept. store in Cumberland, 165,000-sq.-ft. branch in Warwick), fired off letter to competitors which read in part:

"We are taking steps to combat this bill and we urge you, as a fellow discounter, to do the same. . . We urge you, for our common protection, to write letters yourselves to all your Congressmen & Senators. . . We are also considering a plan whereby we will print postcards for our customers to send to their national representatives. Don't you think we all should do this at the same time. . . ? Would you be interested also in joint ads in the newspapers with coupons for readers to send to their representatives. . . ?"

Chase told us his proposals presently are in "a discussion stage with our competitors." He's held one meeting so far with interested competitors, has follow-up session scheduled for near future. Indicative of interest in Chase plan, initial meeting attracted representatives of such discount super-chains as Zayre, which operates 53 stores across country from its Natick, Mass. hq. Zayre told us

their representative would attend 2nd Chase meeting, added: "We're interested in anything that can stir interest in this bill & alert the public to what it really means to them."

Despite fact that discounters "are the main targets of this legislation," noted "Discount Store News" editorially in July 29 issue, "little opposition, except for the National Assn. of Mass Merchandisers, has come from discount stores. . . One exception to the rule is Ann & Hope."

Chase explained discount industry's apathy this way: "Old industries are sophisticated but new ones, like the discount industry, never seem able to get together on joint problems. Everyone seems too interested in his own problems. There's a tendency for everyone to let 'George' do it. We thought of our approach as a means to get the ball rolling at least on the local level."

To get ball rolling, each Ann & Hope employee has fired off postcard to Rhode Island Congressmen urging rejection of QS bill. Company has petitioned state's Congressional delegation to vote against bill, warning in letter that should bill pass, "the jobs of each & every one of our employees will be endangered & the cost of living for Rhode Islanders will rise to an alarming degree."

TV SETS AT THE 'FIVE & DIME': As if things weren't tough enough for TV retailers, new competition is developing quietly but progressively in unexpected area—the traditional "five & dime" store.

With little fanfare, such bellwethers as Woolworth & Kresge are making their first serious bid for sizable chunk of TV business via recently established discount subsidiaries, we learned in conversations with industry leaders last week. Others, encouraged no doubt by recent successful entry of variety stores in TV field, notably J. C. Penney (Vol. 2:52 p8), are sampling TV sales in their conventional stores. S. H. Kress, for example, we learned, is now pilot selling portable TVs & even consoles in some 15-20 of its 272 stores.

It's too early to gauge market-share potential of five-dime competition, but Woolworth & Kresge expansion plans for their discount offshoots are well worth noting. Former's Woolco Dept. Stores Div. now numbers 8 giant discount stores, has 3 more slated for opening this fall. Kresge's K-Mart Div. opened year with 18 major discount outlets, will close year with 50. How much traffic will they generate? Financial Vp & Treas. J. E. Hearst estimates: "The 50 K-Mart stores that will be in operation by the end of 1963 should have annual sales of no less than \$3.5 million each."

Composite "five & dime" retailer, we found, sells brand-name TVs, does not carry color sets yet, offers credit, delivery & installation services. Here's summary of our roundup of five & dimers:

Woolworth sells virtually no TVs via its traditional outlets. Several stores may carry a TV piece or two, we were told, but over-all picture is so minimal that it's "hardly worth talking about." Situation is completely different at Woolco Div. Each of 8 Woolco stores has TV dept. & "we will have TV depts. in all future Woolco stores," we were told by R. Van Overschelde, buying supervisor. Woolco carries only name brands, sells no color sets, private labels or imports. Some departments are Woolco-operated, others leased. "At the moment I have no preference," Overschelde said, "because we're too new at it. It all depends on the kind of deal we can make in the particular area. If we can get a good lessee we lease. If we can't, we operate ourselves."

Kresge has been selling TVs in its conventional stores for about 3 years, but "they haven't set the world on fire," we were told by K-Mart Merchandising Vp C. M. Booker. "We sell TVs in all K-Marts and they'll be in all future K-Mart stores. We regard them as something that's needed for the complete store. We don't make a long profit on them, but they contribute to the image." K-Mart has both leased & operated TV departments, he told us, "and there are advantages both ways. However, we've had no problem operating our own TV departments and I believe eventually they'll be company operated." K-Mart also sells only national brands—and no color. Booker agreed that competition sometimes develops between a Kresge store and a K-Mart. When this happens in the same shopping area, however, "the Kresge will meet our price on the TV."

W. T. Grant is now selling private-labeled Bradford TVs in 350-375 of its 1,070 traditional stores. and so far offers TVs in only one of its 7 DisKay Discount Marts. in Gary, Ind. That DisKay store took over a Grant outlet that had been selling TV, Grant spokesman told us. "We have no plans at

this time for extending TV to our other DisKay stores," he said, pointing out that the Gary, Ind. outlet is larger than most DisKay stores and has ample room for TV display.

Space is factor in Kress's selection of TV test stores, we were told by home furnishings Merchandising Mgr. G. N. League. "The test stores are new, larger shopping center outlets," he explained, and "they run to 30-40,000 sq. ft. Previously, our stores were 25,000 sq. ft." He said TV sales test has been going on for about 6 months and expansion of program will depend upon evaluation of test data. "Credit is most important," he told us, "and we put TVs in only stores that offer credit." Kress is testing both branded and non-branded TVs, stocks only floor samples, contracts for TV supplier to furnish delivery & installation services. Test is centered mainly in Cal. & Fla. stores, but outlets in N. Y. & N. J. also are involved.

Not all five & dimers are interested in TV. Bargain World Stores, discount offspring of G. C. Murphy variety chain, sold portable TVs for 6-month period 2 years ago & "never again," we were told by Merchandising Mgr. J. E. Brant. "We had more complaints than sales, and we wound up taking a lot of the sets back and selling them in lots." Bargain World sold only imported Japanese portables, Brant explained, "and the big headache was service." He concluded: "We had fair sales but we're not at all interested now. We'll leave the TVs for the appliance boys."

McCrorry Stores Corp. sells some TVs in some selected stores, but not in its 24-store Gulf Mills discount division, based in Mobile, Ala. Gulf Mills Vp-Gen. Mgr. Miles J. Ellis summed up no-TV policy: "We don't sell TV sets for 2 basic reasons—we operate small stores & we're cash only."

* * * *

TV sets are included in J. C. Penney's first general merchandise catalog, marking its full-fledged entry in mail order field. Giant variety chain is now distributing 1,252-page fall & winter book with 85,000 individual items. Pres. William M. Batten also said catalog centers are planned eventually for all Penney stores, estimated catalog desks would be opened in 123 stores by "end of the year."

FM STEREO STATIONS PASS 250: New information indicates that there are now some 259 FM stations in U. S. and 12 in Canada—for total of 271—broadcasting in FM stereo. At least 40 of these—probably far more—broadcast their entire schedules stereophonically.

Based on recent data—including FCC notifications, reports from stations themselves and survey by Zenith Sales Corp.—these new stereocasting FM stations should be added to our previous lists (Vol. 3:20 p 11, 28 p 3):

California—Fremont, KHYD; Los Angeles, KFAC-FM; San Jose, KEEN-FM. Colorado—Denver, KFML-FM; Manitou Springs, KCMS-FM. Georgia—Columbus, WRBL-FM. Illinois—Champaign, WLRW. Indiana—Greenfield, WSMJ; Indianapolis, WFMS. Kansas—Wichita, KCMB-FM. Maine—Caribou, WFST-FM. Michigan—Saline, WOIA-FM. New York—N. Y., WABC-FM. Ohio—Hamilton, WFOL. Tennessee—Greenville, WGRV-FM. Wisconsin—Kenosha, WLIP-FM; Madison, WRVB-FM; Wausau, WSAU-FM.

With coming of fall, FM stereo activity should quicken, and it now seems possible that there will be as many as 300 stereo stations on air by year's end.

TV-RADIO PRODUCTION: EIA statistics for week ended July 26 (30th week of 1963):

	July 20-26	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	117,932	104,071	103,990	3,859,131	3,631,910
Total radio	251,934	261,989	310,237	9,591,705	10,398,695
Auto radio	66,186	84,004	96,783	4,107,079	3,675,423

Trade Personals

Ronald N. Campbell & George L. Wilcox elected vps of Westinghouse; responsibilities of Campbell, former vp of residential heating & central air conditioning, will include consumer groups, headed by Vp Chris Witting. Other new appointments by new Pres. Donald C. Burnham include: Marshall K. Evans, former management services vp, now operations staff vp; A. C. Montelth senior vp; Douglas D. Danforth succeeds Burnham as industrial group vp. . . James Farnell has resigned as Westinghouse radio & phono product mgr., no successor yet designated.

Douglas Y. Smith, RCA Electronic Components & Devices vp, is recuperating at Memorial Hospital, Morristown, N. J., from mild coronary suffered July 18.

Stanley W. Horrocks resigns as Hoffman Electronics pres. because of "difference in management principles," succeeded by H. Leslie Hoffman who also continues as chmn.

Thomas A. Boyd, GT&E exec. vp-finance, retires Nov. 1, will be succeeded by John J. Douglas. Robert J. Gressens will succeed Douglas as pres. of subsidiary Lenkurt Electric.

Joseph A. Gill appointed industrial relations mgr., Sylvania Home & Commercial Electronics Div., succeeding Bruce C. Hoeffel, resigned.

Eric Smith appointed Clairtone Sound gen. sales mgr. for Canada. . . William H. Hummel named mfg.-engineering mgr., GE audio products dept., succeeding Julius W. Vetter.

Frederick L. Kuhne, ex-Motorola N. Y. gen. sales mgr., named to new post of metropolitan N. Y. district sales mgr., Pilot Radio.

Edward Foster named head of CBS Labs' magnetic transducers section.

Obituary

Mark W. Cresap Jr., 53, recently resigned Westinghouse pres. (Vol. 3:29 p10), died July 28 in Presbyterian-University Hospital, Pittsburgh, following surgery for gastric hemorrhage. He had been reported improving from July 17 operation, took sudden turn for worse July 27. He joined Westinghouse in 1951 as vp., became pres. 7 years later at age 47. He is survived by widow, son & daughter.

Rectangular color tube is being demonstrated by National Video to its set-making customers. Although it can't accept orders for delivery this year—it's committed to satisfy Motorola's needs before delivering to other customers—Pres. Asher Cole says delivery of the 23-in. rectangular 90-degree tube to other set makers will begin next year. Meanwhile, Corning is continuing development work on 25-in. rectangular color bulb. Although final parameters haven't yet been set, fairly large-scale sampling is expected to begin in Sept. with bulb production probable within a year.

Retail sales of Magnavox products totaled \$174,588, -000 last year, according to company's trade ads. Magnavox says its top 10 dealers each averaged \$1,398,000, top 100 averaged \$665,390.

May factory sales of TV picture tubes edged upward to 703,393 units from 703,255 in May 1962, but dollar value, reflecting declining prices, shrank more than \$800,000 to \$12,888,058 from \$13,676,659. Cumulative unit & dollar sales continued to trail a year ago, down nearly 54,000 units & \$3 million from 1962's Jan-May pace. Receiving tube sales continued downward slide, declined in May to 26,662,000 units from May 1962's 30,341,000. Dollar value dropped to \$21.6 million from \$25.5 million. Year to date sales showed 136,855,000 tubes at \$113,944,000—down sharply from 1962's 5-month sales of 153,854,000 units at \$129,753,000. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$16,846,046	27,025,000	\$ 22,524,000
February	636,392	11,990,596	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
April	751,073	14,197,385	26,167,000	21,521,000
May	703,393	12,888,058	26,662,000	21,600,000
Jan.-May 1963 . . .	3,761,628	\$70,145,588	136,855,000	\$113,944,000
Jan.-May 1962 . . .	3,815,355	\$73,079,850	153,854,000	\$129,753,000

Japanese TV manufacturers have agreed to establish minimum factory prices for sets bound for U. S. Subject to approval by Ministry of International Trade & Industry, 17 set makers approved plan to permit EIA of Japan to set price floors on 4 TV categories—19-in., 16-in., 5-6-in. & smaller than 5-in. Minimums would apply to price paid manufacturer by exporter, not price paid by U. S. importer. Plan is expected to become effective Sept. 1. There was no official reaction, meanwhile, from parties involved or from Japanese govt., to Symphonic's suit against Nippon Electric, charging that Japanese business practices are basic violations of Sherman Anti-Trust Act (Vol. 3:29 p7). Unofficially, importers & Japanese manufacturer representatives here were inclined to look at case as basically a contract dispute between Symphonic & NEC. As to anti-trust aspects of case, feeling was that Japanese business organization & methods had been at least tacitly approved by U. S. govt. Said one spokesman: "Minimum prices are good for the industry. If they were declared illegal, some manufacturers would jump for joy and start unloading immediately."

Warwick & Zenith were turned down by FCC, in their petitions that Commission reconsider its decision permitting uhf stations to use aural power 10% that of visual. Petitioners urged that fringe-area reception would suffer. but FCC asserted: "In our judgment, virtually all of the significant degradation of sound service will occur in areas where the picture obtainable is unusable or at best severely degraded." WNEP-TV (Ch. 16) Scranton-Wilkes-Barre had told Commission aural power reduction will save it \$5,000 in power, \$6,000 in tube rentals, per year.

Zenith has revised prices on color sets with Space Command remote control, cutting suggested lists of some models \$50-\$75. Meanwhile, Zenith announced it is entering antenna business, supplying its distributors with full line of indoor & outdoor vhf, uhf & FM antennas, including hardware & accessories.

RCA & Indiana General have signed licensing agreement covering soft ferrite materials & apparatus and processes for making & testing ferrites & devices.

(Continued from Page 12)

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Sangamo Electric	1963-6 mo. to June 30	\$ 25,869,000	—	\$ (296,000)	—	1,637,617
	1962-6 mo. to June 30	24,379,000	—	(494,000)	—	1,637,161
Standard Kollsman Industries	1963-6 mo. to June 30	36,172,429	\$ 591,408	280,764	.12	2,254,296
	1962-6 mo. to June 30	46,157,144	2,332,797	1,420,497	.63	2,179,686
Stewart-Warner	1963-6 mo. to June 30	66,419,480	8,747,488	4,222,488	1.21	3,482,449
	1962-6 mo. to June 30	60,598,598	7,732,976	3,812,976	1.09 ¹²	3,321,421 ¹²
	1963-qtr. to June 30	33,313,890	—	2,159,437	.62	3,482,449
	1962-qtr. to June 30	31,171,420	—	2,069,319	.59 ¹²	3,321,421 ¹²
Technicolor	1963-6 mo. to June 29	38,288,423	—	1,703,199	.64	2,655,921
	1962-6 mo. to June 29	27,609,554	—	828,607	.31	2,623,218
Texas Instruments	1963-6 mo. to June 30	128,250,000	11,109,000	5,256,000	1.31 ⁵	3,951,661
	1962-6 mo. to June 30	119,736,000	9,222,000	4,784,000	1.19 ⁵	3,947,161
	1963-qtr. to June 30	68,453,000 ⁶	5,733,000	2,801,000	.70 ⁵	3,951,661
	1962-qtr. to June 30	62,253,000	4,559,000	2,373,000	.59 ⁵	3,947,161
Warner Bros. Pictures	1963-9 mo. to June 1	67,560,000	9,461,000	4,961,000	1.02	4,850,052
	1962-9 mo. to June 1	59,543,000	10,969,000	5,569,000	1.15	4,830,052
Wells-Gardner	1963-6 mo. to June 30	9,643,000	—	131,000	.31	422,400
	1962-6 mo. to June 30	9,307,000	—	246,000	.58	422,400
	1963-qtr. to June 30	5,879,000	—	184,000	.43	422,400
	1962-qtr. to June 30	4,927,000	—	184,000	.43	422,400
Zenith	1963-6 mo. to June 30	166,289,000 ⁶	—	7,654,000 ⁶	.84	9,113,196
	1962-6 mo. to June 30	145,997,000	—	6,983,000	.77	9,033,177
	1963-qtr. to June 30	74,022,000 ⁶	—	2,591,000 ⁶	.28	9,113,196
	1962-qtr. to June 30	64,476,000	—	2,254,000	.25	9,033,177

Notes: ¹Before capital gains of \$354,000 (8¢ a share). ²Before \$157,000 capital loss. ³Before \$231,000 (5¢) capital gains. ⁴Before \$24,000 capital loss. ⁵After preferred dividends. ⁶Record. ⁷Includes \$356,000 special credit. ⁸Includes \$450,000 special credit. ⁹Includes \$178,000 special credit. ¹⁰Includes \$225,000 special credit. ¹¹Includes capital gains equal to 11¢ a share. ¹²Adjusted to reflect Sept. -1962 5% stock dividend. ¹³Before special \$3,350,000 (81¢) charge for phasing out East Coast semiconductor operations (Vol. 3:10 p 10) reduced earnings to \$309,000 (4¢). ¹⁴Adjusted to reflect Jan. -1963 5% stock dividend.

Zenith's Record Results: Zenith reported record sales & earnings for both 2nd quarter & first half, its 6-month sales increasing 14%, earnings 10% over record 1962 period, while 2nd-quarter sales & earnings were both up 15% over previous record year ago (see financial table).

Company said color TV "contributed substantial increases in sales volume & profits" and that distributor sales of Zenith color sets increased nearly 100% over first-half 1962. (Zenith Sales Corp. Pres. Leonard C. Truesdell last week predicted his company would sell 200,000 color sets this year.) B&w set sales volume also reached new first-half record.

Pres. Joseph S. Wright, addressing Security Analysts of San Francisco last week, predicted 1963 b&w sales of about 6.5 million sets, with at least 650,000 color sets, for total of more than 7 million TVs this year. As to Rauland's new color tube plant—"one of the most up-to-date, automated electronic factories in the world"—it is now supplying tubes to Zenith and eventually "we will be self-sufficient in color tubes, just as we are in b&w."

Although Zenith is continuing to expand its military & industrial electronics horizons, said Wright, "we intend to keep our solid consumer base, and have no intention of getting into a position where the cancellation of one contract. . . could seriously affect our business."

Magnavox, which reported sales & profits sag in 1963's 2nd quarter (Vol. 3:30 p12), expects total year profits to rise to "better than \$2 a share" from 1962's \$1.73, Pres. Frank Freimann said. Anticipated 15% earnings gain is down from 20% gain forecast by Freimann during May annual meeting. Magnavox has increased percentage of consumer vs. military sales. For 1963, military electronic sales will approximate 25% of total, down markedly from 45% in 1962. Freimann also emphasized that "our color TV sales this year will be 3 to 4 times those in 1962 and for the first time we'll make some money on color sets."

WJAR-TV Providence broadcast operations produced \$432,406 of Outlet Co.'s total \$4,052,338 revenues in fiscal quarter ended April 27 (Vol. 3:26 p12). This was down from \$646,501 a year earlier, resulted from "recent entry into this TV market of a 3rd station in a formerly 2-station market." However, company said, "it is expected that the remaining 9 months will show less of a decline in broadcasting revenue than was experienced in the first 3 months."

Ampex executives' salaries & stock holdings, as reported in proxy for Aug. 27 annual meeting: Chmn. Alexander M. Poniatoff, \$55,016 & 5,500; Pres. William E. Roberts, \$90,012 & 13,000; vp Robert Sackman, \$45,006; treas. & finance vp John P. Buchan, \$45,006.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
AB-PT	1963—6 mo. to June 30	—	\$ 8,877,000	\$ 4,219,000 ¹	\$0.95	—
	1962—6 mo. to June 30	—	11,976,000	5,553,000 ²	1.24	—
	1963—qtr. to June 30	—	3,890,000	1,830,000 ³	.41	—
	1962—qtr. to June 30	—	5,534,000	2,511,000 ⁴	.56	—
Arvin Industries	1963—6 mo. to June 30	\$ 46,633,000	2,627,000	1,213,000	.93	1,306,272
	1962—6 mo. to June 30	40,108,000	2,108,000	1,007,000	.77	1,304,897
	1963—qtr. to June 30	24,519,000	1,494,000	678,000	.52	1,306,272
	1962—qtr. to June 30	21,294,000	1,128,000	535,000	.41	1,304,897
Clevite	1963—6 mo. to June 30	53,083,801	6,829,092	3,364,092	1.74 ⁵	1,902,137
	1962—6 mo. to June 30	53,555,494	7,961,108	3,879,108	2.01 ⁵	1,893,033
	1963—qtr. to June 30	27,808,749	—	1,913,402	.99 ⁵	1,902,137
	1962—qtr. to June 30	27,583,000	—	2,027,000	1.05 ⁵	1,893,033
Dynamics Corp. of America	1963—6 mo. to June 30	37,659,874	3,738,474	2,010,292	.52	—
	1962—6 mo. to June 30	41,825,049	4,679,259	2,100,256	.56	—
Fairchild Camera & Instrument	1963—6 mo. to June 30	56,785,000	—	651,000 ⁷	.26	2,535,583
	1962—6 mo. to June 30	49,486,000	—	2,844,000 ⁸	1.12	2,526,083
	1963—qtr. to June 30	30,155,000 ⁶	—	505,000 ⁹	.20	2,535,583
	1962—qtr. to June 30	25,602,000	—	1,492,000 ¹⁰	.59	2,526,083
General Bronze	1963—6 mo. to June 30	8,825,045	(165,063)	(165,063)	—	391,820
	1962—6 mo. to June 30	8,071,763	13,695	13,695	.03	391,820
Globe-Union	1963—6 mo. to June 30	31,557,456	1,159,824	609,824	.46	1,319,675
	1962—6 mo. to June 30	31,881,107	2,675,990	1,236,990 ¹¹	.94	1,319,675
Hoffman Electronics	1963—6 mo. to June 30	16,457,121	—	(176,041)	—	1,538,888
	1962—6 mo. to June 30	22,066,363	—	(67,557)	—	1,537,312
Indiana General	1963—6 mo. to June 30	—	1,442,570	740,370	.64	1,150,002
	1962—6 mo. to June 30	14,168,000	2,463,452	1,188,052	1.03	1,150,002
Instruments for Industry	1963—6 mo. to June 30	1,043,248	29,032	29,289	—	—
	1962—6 mo. to June 30	761,723	(19,364)	(18,896)	—	—
Minnesota Mining & Mfg.	1963—6 mo. to June 30	362,313,074	86,369,069	42,069,069	.81	52,257,057
	1962—6 mo. to June 30	334,512,372	81,350,260	38,750,260	.75	51,823,123
	1963—qtr. to June 30	190,177,942 ⁶	46,353,063	22,453,063 ⁶	.43	52,257,057
	1962—qtr. to June 30	172,826,699	41,775,608	19,775,608	.38	51,823,123
Muter	1963—6 mo. to June 30	7,910,472	199,132	101,084	.08	1,257,695
	1962—6 mo. to June 30	8,109,340	289,340	142,977	.11 ¹⁴	1,199,094
National Co.	1963—6 mo. to June 30	4,147,000	—	31,000	.03	804,246
	1962—6 mo. to June 30	4,805,000	—	112,000	.13	802,779
National Video	1963—year to May 31	16,455,217	—	180,713	.15	1,233,334
	1962—year to May 31	18,433,163	—	934,281	.76	1,233,334
Oak Mfg.	1963—6 mo. to June 30	19,999,283	1,076,491	505,491	.74	687,074
	1962—6 mo. to June 30	15,769,956	1,263,018	620,568	.95	655,824
	1963—qtr. to June 30	10,653,950	573,806	264,806	.39	687,074
	1962—qtr. to June 30	8,354,154	693,555	344,555	.53	655,824
Raytheon	1963—6 mo. to June 30	254,825,000	8,054,000	3,659,000 ¹³	.85 ⁵	4,125,238
	1962—6 mo. to June 30	312,759,000	11,136,000	5,336,000	1.29 ⁵	4,011,326
	1963—qtr. to June 30	128,416,000	3,908,000	1,743,000	.40 ⁵	4,125,238
	1962—qtr. to June 30	155,425,000	5,917,000	2,837,000	.69 ⁵	4,011,326
Reeves Bcstg. & Development	1963—6 mo. to June 30	2,754,400	230,700	100,900	.07	1,408,893
	1962—6 mo. to June 30	2,301,700	12,100	7,600	.01	1,408,893

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WEEKLY **Television Digest**
with
Consumer Electronics . . .

The authoritative service for executives in all branches of the television arts & industries

AUGUST 12, 1963

NEW SERIES VOL. 3, No. 32

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

THE FULL SCHEDULE OF BILL HENRY—who talks about selling & donating political time, rejects rumors of aspirations for Congress, meets ad men, concludes Omaha report (p. 1).

UHF—HOPES & FEARS, FITS & STARTS—stirs concern as KPIX Los Angeles runs into trouble, one of first to retrench since all-channel-law (p. 2).

CONGRESS'S PENDULUM SWINGING BACK? Maybe so—as legislators begin to worry about giving too much power to FCC and other agencies (p. 2).

FIGHTING FCC COMMERCIAL CEILING, broadcasters report support from congressmen who plan to introduce bills, resolutions (p. 3).

TENSION IN RATING REFORM DEVELOPMENTS: RAB seeks more money; Harris staff again talks of 'exploring legislation;' WAME suits dismissed (p. 3).

THE FULL SCHEDULE OF BILL HENRY: FCC Chmn. Henry leaves for Chicago this week, speaks on international communications Aug. 14, at convention of American Bar Assn., then goes back to Memphis, hoping for a vacation. He figured in news last week:

(1) During interview with columnist Charles Bartlett, he suggested that if stations sell political time, they should also be required to donate equal amount of time—to be divided among candidates for the office involved. "I suggested it only as a point of discussion," he said. "I'm interested in full discussion of controversial issues. Bartlett had asked me about cutting down political broadcasts, because of the costs of campaigning. I told him that I'm against that, that we favor more discussion."

(2) Is he planning to run for Congress from Tennessee? "I'll be in my office as chairman on Nov. 1964. That reminds me of the talk about Romney—that he wasn't running but wasn't locking the door. Well, I'm locking the door."

(3) He met with broadcast committee of AAAA in N.Y. Aug. 5, told us: "I found the talk with the ad agency people very constructive to me. And I think they may have noticed the absence of horns on my head. Our interests coincide in some ways. They believe in diversity of programming, would like to see more clearances and sponsorship of public affairs programs. But they're not unanimous. They talked more about 'clutter' than overcommercialization. We discussed more stations, uhf, local live vs. film. I invited them to file comments on our commercial rule-making. I suggested they invite Cox & Loevinger up for a meeting, too, and they said they would."

(4) His report on Omaha local-live hearing is due out this week. "It will be long," he said, "but I just couldn't avoid it."

Foregoing is just what's above the surface in Henry's iceberg of work—but he's young & healthy, seems to thrive on it.

Consumer Electronics

TV IMPORTS THIS YEAR will total about 400,000, of which half will be transistorized; first-half pace is 4 times higher than '62 (p. 7).

TELCAN FOCUSES INTEREST on home video tape, but neither U. S. nor Japanese firms believed close to success; British development viewed with enthusiasm by laymen, but engineers are still dubious (p. 7).

RCA & COLOR featured in 3 major articles in 7-day span; Sarnoff claims No. 1 position for RCA in consumer electronics, says color dollar volume may exceed b&w within 3 years (p. 8).

TOP TV BRANDS in 11 more markets are listed on basis of personal interview surveys by newspaper ad departments; RCA first in 10 markets (p. 8).

PHILIPS TESTS TUBE MARKET, will judge future after 'more experience.' Kataoka to make GI uhf tuners (p. 11).

UHF—HOPES & FEARS, FITS & STARTS: FCC is trying to be cautious & realistic about uhf while promoting it at same time—seeking to broaden public's choice of TV programs while avoiding charges of enticing entrepreneurs into losing their shirts.

Thus, when new KPIX (Ch. 22) Los Angeles, on air since March and aimed at Negro audience, cuts personnel, seeks refinancing, limits offering to 2 hours of film nightly, a chill runs through many quarters.

Los Angeles is supposed to be prize uhf market, conversions running some 2,000 weekly, and Spanish-language KMEX-TV (Ch. 34) said to be coming along fairly well.

FCC's uhf enthusiast Comr. Lee said he'd look into Los Angeles situation right away when he heard reports. "Perhaps," he mused, "we should have stiffer financial requirements for uhf applicants." Last thing he & rest of commissioners want to do is to be responsible for another uhf boom & bust.

FCC recently sent its periodic query to idle uhf CP-holders, including those which once operated, asking for their plans. Replies are still arriving, but 2 former operators have said they're turning in their suits—WGLV (Ch. 57) Easton, Pa., which operated 1953-57, and WHUM-TV (Ch. 61) Reading, Pa., on-air 1953-56. Quite a few letters were returned by Post Office with "no longer in business" notations.

There is long-range enthusiasm, nonetheless. We've checked out all applications filed with FCC since Jan. 1, found following: 48 uhf (13 of them ETV), 15 vhf (2 ETV). Of the vhf's, 6 were for channels now occupied by stations given short licenses after "influence" decisions (Boston, etc.)—thus, shouldn't really be counted.

All-channel-set law is what sparked uhf resurgence, of course. Some applicants are experienced broadcasters, hoping to make out soon in large markets. Others quietly & frankly intend to grab a channel and hold it until risk seems reasonable. And a few are starry-eyed novices oblivious of uhf's pains & strains of the 1950's.

CONGRESS'S PENDULUM SWINGING BACK? You'll recall how Congress, particularly Rep. Harris (D-Ark.) & his investigating subcommittee, ripped FCC mercilessly for failure to keep firm hand on industry. It's pretty clear now that New Frontier has gone too far for many, including Harris, to stomach.

Once upon a time, there were influence-peddling, quiz scandals, payola. Prodded by Congress, FCC jumped to attention, started clamping down. (Similar trend applies to other agencies—FTC, FPC, etc.) But broadcasters are up in arms, going directly to their congressmen, getting action.

Recent House hearings on editorializing were typical (Vol. 3:20 p3), congressmen heatedly asking FCC where it gets its authority to encourage or discourage editorializing. There's nothing "specific" about it in Communications Act, they assert, wondering whether Congress has given away too much power to "agencies downtown."

Most outspoken on issue is Rep. Rogers (D-Tex.), member of Commerce Committee and chmn. of Communications Subcommittee. "Delegated power begets power," he told us. "The FCC is an arm of Congress created to administer the rules Congress sets down. If the tail is beginning to wag the dog, then something should be done about it."

FCC has gone too far with its proposal to limit commercials, Rogers stated. "It should be the subject of legislative hearings." Previously, he challenged FCC's new license fees, introduced bill to prohibit them "unless specifically permitted by law." It's not that he thinks fees are necessarily wrong, he said, but that FCC's authority comes from general statement in 1951 appropriations act. His point is that if there are to be fees, Congress should authorize them specifically. He recently told constituents: "In my view, Congress should set to work to restore to itself authority passed along over the years to regulatory agencies."

Commerce Committee Chmn. Harris has recently challenged FCC on several matters, telling it to keep hands off CATV, goading it to grant experimental superpower on clear channels, questioning its handling of equal time in some instances. Rep. Moss (D-Cal.) is a sharp needler, too.

Issue crosses party lines. GOP Reps. Bennett (Mich.) & Hall (Mo.) were among most persistent advocates of need for congressional authority for broadcast editorializing. Hall even wants to regulate network documentaries—somehow.

Sen. Bartley (D-Alaska) introduced a congressional reorganization bill which would include a check on agencies. Said he: "I feel Congress needs some systematic means of reviewing these administrative actions." Rep. Dorn (D-S. C.), at editorializing hearings, said that all agency rules should be reviewed by Congress before they go into effect; this doesn't have much of a chance—because it would load Congress with impossible pile of detail. It was precisely because of this that the agencies were created. But Rogers looks at it this way: "If Congress is too busy to conduct the business of the nation, then something is wrong."

Most of reason for the pulling-&-hauling is President Kennedy's theory of "strong" regulation and his choice of appointees who agree—such as Minow & Henry at FCC, Elman at FTC, Swidler at FPC.

Swing of pendulum toward stronger regulation is slowing up, may reverse before long.

FIGHTING FCC COMMERCIAL CEILING: Broadcasters' direct appeal to their congressmen, about FCC's proposal to limit commercials, is beginning to show some results.

Rep. Weltner (D-Ga.) has drafted, not yet introduced, bill forbidding FCC from imposing "specific limitations" on commercials. However, draft also says FCC has right to consider commercial abuses in weighing license renewals. GAB & NAB scarcely had this in mind, spokesmen calling it "damaging." Weltner told us it merely "restates the power FCC already has," but said he's not sure whether he'll introduce present version or draft another.

Rep. John Davis (D-Ga.) wrote FCC Chmn. Henry about commercials, as have most of Ga. delegation. He said there's nothing wrong with FCC "guidelines," but he frowned on "limits." This, he said, could lead to govt. limitation on station profits.

Tenn. Assn. of Bcstrs. is considering asking its delegation to introduce resolution against commercial ceiling. F. C. Sowell (WLAC Nashville), TAB legislative committee chmn., said congressmen backed TAB's position during recent meetings (Vol. 3:30 p 5), firmly believes delegation would support it strongly. Nashville Advertising Federation last week passed resolution attacking FCC proposal.

TENSION IN RATING REFORM DEVELOPMENTS: Problems on road to rating reform: (1) To help finance its proposed \$200,000 radio methodology study, RAB has opened membership doors to all persons & organizations allied to aural medium. (2) Harris Subcommittee staff member, watching Nielsen & NAB parry & thrust, comments: "If NAB needs Nielsen more than Nielsen needs NAB, then perhaps legislation should be explored." (3) WAME Miami ran into courthouse wall, in litigation against rating firms, dismissed its suit against Pulse, had suit against Nielsen thrown out for 2nd time. (4) WFIL TV & radio Philadelphia, mirroring broadcaster concern over pending increases in cost for improved research, asked ARB to increase sample size but decrease number of reports, to equalize costs.

RAB associate memberships are now open to attorneys, syndicators, producers of commercials & station aids, station brokers, equipment manufacturers, etc. Up to now, only stations, representatives, networks have been members.

"There is urgent need for additional financial support of RAB at this juncture," said Pres. Edmund Bunker. "We are [seeking it] from those whose prosperity is dependent on the radio medium."

Bulk of new funds for research, however, will have to come from increase in regular membership, said Miles David, administrative vp, stating that RAB soon will announce signing of another station group. Bureau also outlined its methodology study to Advertising Research Foundation, received favorable reaction, we were told. Next step is to present it to ARF's technical committee for evaluation.

NAB Research Committee is to make final recommendation by mid-Sept. on whether to co-finance RAB's proposed study. Field work on RAB's study, scheduled to start in Sept., will probably be delayed, though some pre-testing may get started.

NAB meanwhile emphasizes that development of Rating Council plan is going ahead with or without Nielsen—though it would prefer inclusion of the dominant network TV rater (Vol. 3:31 p3). Pres. Collins wrote Nielsen Sr. outlining once more NAB's position, but there's still no final word from Chicago major domo.

Harris staff reasons this way: Ratings hearings showed abundance of weaknesses in ratings systems, but Congressmen were willing to let industry attempt its own clean-up; if major forces can't get together, then perhaps legislative avenues—already considered—should be explored again.

After federal court in Miami dismissed WAME's suit against Pulse for "lack of jurisdiction"—meaning suit was inadequate—station then said it was dismissing suit, Pulse reported. And WAME's amended complaint against Nielsen was also dismissed; station can refile (Vol. 3:29 p3).

WFIL stations asked ARB to increase sample from 490 to 2,400, decrease reports from 10 per year to 4. These steps, said John Wade, stations research dir., would "provide greater stability and validity," especially when data has to be fed into agencies' computers, and also would be within "economic capabilities" of broadcasters.

A disclaimer would also be added by Philadelphia stations when research data appears in print: "Caution! Ratings and homes reached are estimates only, subject to defects and limitations of source materials and methods. These source materials have not been approved or disproved by the station."

Pulse announced it's discontinuing coincidental interviewing, used as a means to supplement its roster recall method. In doing so, it will increase recall interview sample.

CAPSULES

Reports that cut in multiple ownership was favored by 4 FCC members, in recent discussion, are unfounded, according to Commission sources. What happened: Comr. Loevinger learned for first time that ownership ceiling is 21 stations—7 TV, 7 AM, 7 FM—instead of total of 7. He asked colleagues why. Discussion thereafter disclosed no indication that majority wants to lower ceilings. Staff has long studied multiple ownership, might recommend cut, sooner or later.

Communications Satellite Corp. last week answered FCC's charge that it was dragging its feet on public stock offering (Vol. 3:30 p5). Chmn. Leo Welch, in barbed letter to FCC Chmn. Henry, said stock would be available by "early part of 1964," called Commission's recent criticism "an invasion of the firm's managerial functions." He said timing of stock sale would be determined by directors appointed by President Kennedy, disagreeing with FCC's contention that representatives of stockholders should be serving on board. In Senate hearings on \$5.5 billion appropriations for NASA, Sens. Kefauver (D-Tenn.) & Morse (D-Ore.), others, argued against a \$44 million research measure for communications satellites. They repeated charges of "giveaway," fought for amendment to provide reimbursement by ComSat for proportionate share of costs. Senate voted instead that none of NASA's funds could be used for "exclusive" benefit of private corporations without reimbursement. Space company also announced that RCA, AT&T and Hughes Aircraft have been selected to do studies on "multiple access techniques."

Foreign-language channel has been added to TeleGuide's closed-circuit feed to 37,720 rooms in 41 N.Y. hotels. Using Ch. 13, 7:30 a.m.—1 a.m. daily, half-hour films touting city's attractions are presented in French, Italian, German, Portuguese, Spanish & Japanese—Pan American sponsoring. English service has been operating 18 hours daily on Ch. 6 since June.

New ad guidelines for arthritis & rheumatism products adopted by NAB, endorsed by Arthritis & Rheumatism Foundation: (1) Positive disclosure made that product effectiveness is temporary relief of minor aches & pains. (2) Claims & demonstrations should be consistent with limitations on labeling. (3) Substantiation of product claims using bona fide studies & experts. (4) Advise prolonged sufferers to see physician.

UPCOMING STATIONS: WHY-**TV** (Ch. 12 ETV) Wilmington, Del. has Sept. 12 programming target, reports Gen. Mgr. Richard S. Burdick. GE transmitter is being installed at Glassboro, N.J. site; studios will be at Fifth & Scott Sts., Wilmington, & at WUHY-TV (Ch. 35) Philadelphia. It will use 864-ft. Stainless tower.

KFME (Ch. 13 ETV) Fargo, N. D. plans programming about Nov. 1 after Oct. 14 tests, says Gen. Mgr. Clair R. Tetterer, ex-KTCA-TV St. Paul ETV. RCA transmitter is being installed and antenna is being prepared for placement on 426-ft. self-supporting Blaw-Knox tower.

WEIQ (Ch. 42 ETV) Mobile, Ala. will be on air "between Oct. 1 and Dec. 31," according to Raymond Hurlbert, gen. mgr. of Ala. chain of ETV stations. Studio-transmitter building construction has been finished. GE 12-kw transmitter is on hand, and 500-ft. Blaw-Knox tower is ready.

KNMT (Ch. 12) Walker, Minn., with 2-kw RCA transmitter delivered, has completed 999-ft. tower 3 mi. E. of Hackensack, Minn. It will begin operation "sometime later this year," writes Glenn W. Flint, gen. mgr. of owner KCMT (Ch. 7) Alexandria, Minn. which plans to operate KNMT as semi-satellite. KCMT rep. is Avery-Knodel.

WSVI (Ch. 8) Christiansted, V.I., has Nov. -Dec. target, reports George A. Mayoral, vp & gen. mgr. Visual Electronics transmitter is on hand, and construction of studio-transmitter building is near completion. It will use 60-ft. Utility tower.

KUSU-TV (Ch. 12 ETV) Logan, Utah hopes to be on air by Jan. 1, writes Burrell F. Hansen, chairman of radio-TV for grantee Utah State U. It plans to ask for bids shortly on 5-kw transmitter, will use 220-ft. Fisher tower.

New York U. Conference on international communications in business, other fields, starts Aug. 13, runs 4 days. Interpublic Pres. Marion Harper is honorary chmn. Harry Maynard, Life assoc. advertising dir. is chmn. Organizers: Ward Stevenson, PR Society of America pres., San Francisco State College professors S. I. Hayakawa & Richard Dettering. Speakers invited: Dr. Howard Rusk, NYU Medical Center; Eric Johnston, Motion Picture Assn. of America pres.; Stuart Chase, author; Dave Garroway; Benny Goodman; Newton Minow, Encyclopaedia Britannica. "A Look at Our Mass Media" panel will feature: Time Chmn. Andrew Heiskell; Curtis Pres. Joe Culligan; TV executive Richard Heffner.

CATV systems in Norton & Appalachia, Va., totaling about 1,000 subscribers, have been bought by PGR Enterprises, headed by Frank Russell, retired NBC Washington vp who also heads Ellensburg, Wash. system. Seller is Harold C. Bailey who continues to operate Pineville, Ky. system. Transaction was handled by Daniels & Assoc.

Peace Corps ETV training course for 16 Colombians and 18 Peace Corps members started at U. of Neb.'s KUON-TV Lincoln, will run to Aug. 31. It's a pilot project, will be duplicated elsewhere if successful, according to Peace Corps Dir. Sargent Shriver.

Jefferson Standard Bcstg. has donated \$47,500 in TV equipment to S. C. Educational TV Center for planned Ch. 29 Greenville & Ch. 7 Charleston.

CBS-TV & NBC-TV were criticized by Rep. Hebert (D-La.) for "not carrying one word" in their news programs of last week's House debate on Pentagon's anti-discrimination directive. He said he hadn't watched ABC-TV. He questioned whether it was Pentagon "news management" or "censorship" by news media that was keeping public from knowing what was in Gesell report. Southerners have denounced report as use of military to promote political policy.

Opera on TV is "a thousand times more powerful" than in even an ideal theater, according to Samuel Chotzinoff, head of NBC Opera Company. "As for future of TV opera," he said in recent lecture, "it is problematic. As long as we have the Sarnoffs around, we will have TV opera and the experimentation that goes with it . . . But the future looks dim unless the public demands more opera, and sponsors arise who will think 15 million listeners is a sizable audience."

"Censorship" through "prior restraint" is charged against FCC by TV Cable of Austin, in petition for reconsideration of recent CATV-microwave grant. FCC conditioned grant with its customary requirement that grantee agree not to duplicate local-station programs 30 days before or after telecast. Grantee also argued that Commission seeks to exercise jurisdiction in an area where Congress gave it none.

May network TV billings rose 8.3% over May 1962—from \$66,101,761 to \$71,567,346. First 5 months are up 6.2% over 1962 period—from \$324,050,243 to \$344,096,012. Each network's Jan.-May figures: ABC-TV, \$91,991,624, up 8.7% from \$84,659,058; CBS-TV, \$131,097,520, up 5.4% from \$124,362,088; NBC-TV, \$121,006,868, up 5.2% from \$115,029,097.

HEW has received 3 more ETV applications for federal grants: U. of Utah, \$246,131 to expand Salt Lake City's Ch. 7 & to acquire 18 translators; Miami U., Ohio, \$127,504 to expand Oxford Ch. 14; Delta College, Mich., \$187,049 to activate Bay City Ch. 19. Applications now total 17 seeking \$3,155,418 (Vol. 3:31 p5).

"Star Spangled Banner" would have to be played by TV-radio stations at sign-on & sign-off times in bill introduced by Rep. Wydler (R-N. Y.). He noted that most stations carry the Anthem, but some, he said, "play 'Hail to the Chief,' which is absurd, and 'My Country 'Tis of Thee,' which is the tune of 'God Save the Queen.'"

"Right to editorialize [should] be defended and maintained" by Congress, Rep. Dorn (D-S.C.) told House last week. He said that TV-radio have been discriminated against in access to news, that Congress should see to it that "sacred right" to editorialize not be abridged by "regulatory agency or bureaucrat."

CBS-TV launches 2 daily half-hour newscasts—a networking first—on Sept. 2: "Evening News With Walter Cronkite" (6:30-7 p.m., EDT, Mon.-Fri.) & "Morning News With Mike Wallace" (10-10:30 a.m., Mon.-Fri.). Latter will cover general & women's news.

NBC News launched wire service between N. Y. & Washington last week, for exchange of all national & international news & background stories. Possibility: It might be made available "outside NBC," said William R. McAndrew, NBC News exec. vp.

QXR (FM) Network switches to tape distribution from on-air relay to its 16 northeastern affiliates. Reasons: Technical problems & growing use of stereo. Affiliates in other parts of country were already on tape.

Personals

CBS News changes: Charles Kuralt, from Latin & South America, to chief West Coast correspondent, Los Angeles; Robert Schakne named West Coast bureau mgr.; Bernard Eismann, chief Midwest correspondent, to N. Y. bureau; Hughes Rudd, chief Southern bureau correspondent, succeeds Eismann; Russ Bensley named Midwest bureau mgr.; Southern & Southwest bureaus consolidated in New Orleans bureau with Dan Rather as chief correspondent, Nelson Benton as bureau mgr.

Donald H. McGannon, Group W pres., also elected chmn., succeeding E. V. Huggins, Westinghouse Electric exec. vp, resigned; Donald C. Burnham, new Westinghouse Electric pres., elected to Group W board.

Ellis O. Moore, recently resigned as NBC press & publicity vp, joins Standard Oil of N.J. public relations dept. . . . Jack D. Pohle, ex-CBS Radio Spot Sales, Los Angeles, appointed radio mgr., Peters, Griffin, Woodward, Los Angeles.

Metropolitan Bcstg. TV changes: Albert P. Krivin, vp & gen. mgr., KMBC-TV Kansas City to KTTV Los Angeles in same capacity; Mark Wodlinger, vp & gen. mgr., WZZM-TV Grand Rapids, succeeds Krivin; Reavis Winckler, KTTV publicity dir., named promotion & public relations dir.

Harold C. Sundberg, gen. sales mgr., WZZM-TV Grand Rapids, promoted to vp & gen. mgr.

Rep. Oren Harris (D-Ark.) receives National Defense Transportation Assn.'s National Transportation Award.

Dennis Scuse, BBC U.S. representative, transfers to London as TV enterprises gen. mgr. . . . Don Redell, ex-Producers Studio, Los Angeles, joins Tele-Tape Productions, N. Y., in sales & production.

Mort Fleischmann promoted to promotion mgr., NBC, West Coast, succeeding late Donald E. Allen. . . James E. Watson, NBC Radio sales analyst, promoted to sales development mgr.

Malcolm R. Johnson, NBC News night mgr., promoted to mgr. . . Jack E. Krueger promoted to news mgr., WTMJ-TV-AM Milwaukee.

Dan E. Bellus, Transcontinent TV adv. & promotion dir., named station mgr., group's WDOK-AM-FM Cleveland.

Jack Crosby, Del Rio, Tex., named chmn., NCTA Research Council, which also adds William Adler, Weston, W. Va., and George Barco, Meadville, Pa.

Richard A. Feleppa, ex-Remington Electric Shavers, re-joins WOR-TV-AM N. Y. as sales promotion mgr.; David Krutchik, copy chief, promoted to audience promotion mgr.

Donald (Gene) Jones, ex-radio KMOX St. Louis, named mgr., Avery-Knodel, St. Louis office. . . Brad Marks, ex-Buena Vista Distributing, named midwestern sales mgr., Walter Reade-Sterling TV Div.

Robert R. Tincher, vp, Cowles Bcstg., N. Y., transfers to WREC-TV-AM Memphis as public affairs dir.

James E. Szabo, ex-WABC-TV N. Y. gen. mgr., appointed special sales mgr., WOR-TV N. Y.; Leslie L. Dunler, ex-radio-TV vp, Mogul, Williams & Saylor, joins sales staff.

Television Digest

PUBLISHED BY TELEVISION DIGEST, INC.

HEADQUARTERS: 2025 Eye St., N.W., Washington, D.C. 20006

Phone: 965-1985. TWX: 202-965-0979

EDITORIAL

ALBERT WARREN,
Editor & Publisher

JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager
RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

TELEVISION DIGEST. Published Mondays. Services: \$75-\$150 annually. For group rates & other subscription services, write Headquarters.

TELEVISION FACTBOOK
Published Annually

TV & AM-FM ADDENDA
Published Saturdays

AM-FM DIRECTORY
Published Annually

Jerry Solomon, ABC-TV sales planning coordinator, promoted to sales planning mgr.; Mark Cohen, nighttime sales service mgr., to sales offerings mgr.; Jack McCarthy, ABC-TV daytime sales service mgr., succeeds Cohen; Richard Masilotti, asst. daytime sales service mgr., succeeds McCarthy; Wendell Barnes, daytime availabilities coordinator, succeeds Masilotti.

Participation of FCC Comr. Cox in vhf drop-in proceedings is still expected, according to knowledgeable people at Commission, following AMST's petition that he withdraw because of his pro-drop-in stand as chief of Broadcast Bureau (Vol. 3:29 p 5).

"Largest complete local TV news organization in the U. S." is aim of WCBS-TV N. Y., which hired Joseph T. Loughlin from WTVT Tampa-St. Petersburg to be dir. of news. He'll be responsible for 12 out of 18 1/2 hours of station news per week.

Second Arabian network was to start Aug. 1, but shortage of foreign exchange "will place serious limitations on the number of sets needed to expand TV reception," according to Commerce Dept.'s "International Commerce."

Silent portable radios on city buses have been requested by Columbus, O. utilities dir. "The world we live in is noisy enough," he said, noting that if "request" doesn't work, a rule will be made.

New FM "working arrangement" with Canada, for allocation of channels within 250 miles of border, has been released by FCC. Copies are available from Commission.

Purchase of KTVU (Ch. 2) San Francisco-Oakland by Cox Stations, for \$12,360,000, has been filed with FCC.

TvB's new Los Angeles address: 444 N. Larchmont Blvd., 90004; phone: 469-8231.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

1963 TV IMPORTS—ABOUT 400,000: Based on first-half figures, it now seems evident that Japanese TV manufacturers will export total of 400,000 sets—perhaps more—to U.S. this year. At least 50% will be transistorized battery-powered units.

First 6 months of 1963 saw U.S. -bound TVs leaving Japan at pace of more than 4 times higher than during same 1962 period. Exports from Japan to U.S. during first half totaled 147,362 sets, or about 4.3% of U.S. production during same period, up from 33,671 (1% of U.S. TV output) in first half 1962. In June, figure was 25,982, about 8 times higher than the 3,288 of June 1962.

Transistorized sets exceeded number of tube sets exported in June for 2nd month in row—13,798 transistor, 12,184 tube, compared with 501 transistor, 2,788 tube in June 1962. All sets exported in June were in "21-in. & smaller" category. Here's breakdown of first half 1963 exports (comparable first-half '62 figures in parentheses): Over 21-in., 5,267 (2); tube TV, smaller than 21-in., 79,405 (26,001); transistorized, 62,690 (7,668).

Transistor radio exports to U.S. for first half 1963 were up about 10% in 3-or-more-transistor category—3,448,463 vs. 3,125,290. Tube and "toy" radio shipments were down—tube radios to 508,831 from 761,977 in 1962, toy radios to 1,073,636 from 1,484,681. June exports: 3 or more transistors, 663,831 (vs. 661,336 in June 1962); tube, 100,202 (142,903); toy & others, 143,742 (161,462).

Tentative minimum factory TV prices for export to U.S. have been established by EIA of Japan, meanwhile, subject to govt. ratification (Vol. 3:31 p 10). Applicable only to completed sets, proposed "free on rail" minimums are: 16-in. sets, vhf \$45, all-channel, \$55; 19-in., vhf \$55, all-channel \$63; 5- & 6-in. transistor sets, vhf \$70, all-channel \$80.

TELCAN FOCUSES INTEREST ON HOME TV TAPE: Although Britain's Telcan home TV tape recorder is still wrapped in mystery & controversy, mere reports of its existence have stirred up almost feverish interest in future field of home video tape machines.

Several firms here & abroad have been working for some time on the concept. RCA concedes its "hear-see" recorder is not imminent. Chmn. David Sarnoff was asked specifically about reports of the British development in course of interview last week by "Wall Street Journal" (see also p. 8). He replied that home video recorders probably would come along within 10 years, adding that the problem is to produce one within consumer's price range.

In Tokyo, meanwhile, Shiba Electric Co. announced prototype of possible home TV recorder. Unlike Telcan unit which uses standard 1/4-in. audio tape at 120 in. per second, Shiba's machine requires 2-in. wide video tape, is claimed to record 64 minutes on 8-in. reel, at 5-in. per second. Shiba announced no timetable for development, or any proposed price range, merely stating that it is "trying" to develop such a unit.

Sony, which is now marketing portable TV tape recorder in U.S. at \$10,900, says it still has long way to go in its efforts to develop unit priced for home use. Meanwhile, IIT Research Institute (formerly Armour Institute) of Ill. Institute of Technology is working on new electron-beam tape scanning system which it feels could eventually make possible economical system for home, using standard audio tape run at 7 1/2 in. per second. It was described earlier this year at IEEE convention by magnetic recording expert Marvin Camras (Vol. 3:13 p 6). Development of this system into even high-priced working equipment is expected to take several years.

Meanwhile, Telcan system with its spectacularly low announced price (Vol. 3:31 p 7) continues to arouse interest & speculation on this side of Atlantic. One TV industry figure (not an engineer), who just returned from England where he saw demonstration, termed our summary of reports on the machine last week "too downbeat." Requesting that his name not be used, he said pictures it produced

were "better than kinescope quality" and quite acceptable for home. Using thinner tape, he said, developers are confident they can increase capacity of machine to one full hour of recording on single reel.

Most other reports this week, however, tended to confirm reactions we quoted last week. One British engineer told us claims for Telcan were "not being taken seriously in broadcasting circles" in England.

A noted electronics research scientist told us he was collecting reports from those who witnessed demonstrations, and said "comments range from one end of the scale to the other—from very good to unacceptable." He added that on basis of description of device received from field, "you shouldn't be able to get much of a picture with it." He speculated that unit is basically a speeded-up audio tape recorder with some special type of recording & playback head.

Others pointed out that Telcan Co. is offshoot of Nottingham Electronic Valve Co., which once created stir by announcing that it had developed home TV camera to sell at about \$200.

Lacking more information, we have located no one who is willing to make flat statement about value of the British development. It has captured imagination here to extent that several important firms are thinking of sending representatives to Britain to appraise it and possibly discuss license arrangements, and that one American magazine is planning special article on it. Stripped of emotional content & wishful thinking, best summary of situation at moment, from engineering standpoint, is this: There's too little known about the device to make practical judgment as to its quality, reliability, producibility & potential.

Until curtain of secrecy is lifted, non-engineering people tend to be extremely excited about development, but opinion among engineers remains decidedly dubious.

TOPIC A—RCA: Nearly everybody seemed to be writing about RCA & color last week. Within span of 7 days, color TV received featured treatment in Aug. 6 "Saturday Evening Post," RCA was subject of 5-page cover story in Aug. 1 "Forbes" (with Gen. Sarnoff & NBC peacock on cover), and full-column interview with Gen. Sarnoff appeared in "Wall Street Journal."

"Forbes" profile could be called a mixed review. "The apparent renaissance of [RCA] may well be the top corporate story of 1963," it begins. It concludes: "A happy ending is possible but far from guaranteed." "Forbes" points to RCA's sales & profit advances of past few years, but also notes it's far below some other electronics entities in profit as percentage of sales dollar. Emphasizing color, it asks editorially whether RCA can maintain its lead in this field.

"Wall Street Journal" interview appeared to be answer to "Forbes" study. Among statements attributed to Sarnoff in interview: RCA is first in industry in combined dollar sales of home instruments. RCA will sell "well in excess" of million color & b&w sets this year and will expand its TV production facilities. Dollar volume of color sets will exceed b&w possibly within next 3 years. Color TV will be America's major new growth industry in this decade. RCA profits in first 7 months of year are 25% ahead of 1962. Replying directly to implication in "Forbes" article that RCA misjudged color market by 10 years, "Wall Street Journal" carries typically Sarnoffian rejoinder: "My answer is that if RCA had waited 10 years, color itself would be 10 years removed from its present healthy & growing status. No mathematical timetable has ever been devised for pioneering."

"Saturday Evening Post" business editor Sandford Brown gave color formal recognition as "the proverbial better mousetrap" in 2-p. article, "Color Catches Fire." He predicted that virtually all TV would eventually be in color, gave RCA credit for "risking huge sums to blaze a trail."

TOP TV BRANDS-IN-USE IN 11 MARKETS: From personal-interview surveys conducted by or for newspaper advertising departments, we've compiled results of TV brands-in-use polls for 11 more areas. Last April, we printed results in 15 markets surveyed by Consolidated Consumer Analysis newspapers (Vol. 3:17 p8).

Surveys highlighted below show set ownership. In case of multi-set homes, they generally reflect brand bought last. Because they represent purchases over many years, they don't reflect recent changes in brand preference or popularity.

Regional nature of TV brand selection is well demonstrated by variations in rankings. Only RCA, winning first place in 10 of the 11 markets, is consistently in top ranks of these areas.

Other brands which ranked among top 3 in various areas: Philco, first place in one market, 2nd in three, 3rd in two. Zenith, 2nd in four, 3rd in one. Motorola, 2nd in two, 3rd in three. Admiral, 2nd in one, 3rd in three. GE, 2nd in one, 3rd in one. Silvertone, 2nd in one, 3rd in one.

Summaries below give top 10 brands in each market, with number of interviews, date of interviews and TV penetration:

Miami metropolitan area (1,804 interviews, May 1961-April 1962), TV in 94.8% of homes: (1) RCA Victor 16.4%. (2) Zenith 15%. (3) Philco 11%. (4) Admiral 10.4% (5) Motorola 9.6%. (6) Emerson 6.7%. (7) Silvertone 6.5% (8) GE 6.4% (9) Du Mont 4.3%. (10) Westinghouse 3.1%.

Detroit metropolitan market (7,233 interviews, 1961), TV in 91% of homes: (1) RCA Victor 15.4%. (2) Motorola 12.2%. (3) Admiral 11.8% (4) GE 8.3%. (5) Muntz 6.3%. (6) Zenith 6.1%. (7) Philco 4.9%. (8) Silvertone 2.8%. (9) Sylvania 2.7%. (10) Emerson 2.5%.

State of Minnesota (1,230 interviews, April-May 1962), TV in 95.3% of homes: (1) RCA Victor 21.4%. (2) Zenith 12.1%. (3) GE 11.4%. (4) Motorola 10.8%. (5) Philco 8.8%. (6) Admiral 7.7% (7) Silvertone 4.6%. (8) Coronado 3.5%. (9) Magnavox 3%. (10) Sylvania & Emerson, 2.8% each.

Charlotte, N. C., entire county (1,801 interviews, May 1961-April 1962), TV in 93.7% of homes: (1) RCA Victor 20.4%. (2) Silvertone 10.3% (3) Motorola 9.6% (4) Zenith 8.9% (5) Admiral 7.6% (6) GE 7.5%. (7) Philco 7.1%. (8) Westinghouse 5.1%. (9) Emerson 3.1%. (10) Crosley 2.5%.

Akron city trading zone (1,803 interviews, July 1961-June 1962), TV in 97.9% of homes: (1) RCA Victor 20.2%. (2) Admiral 13.8%. (3) Philco 11.9%. (4) GE 8.7%. (5) Motorola 7.8%. (6) Muntz 6.3%. (7) Zenith 4.6%. (8) Sylvania 4.3%. (9) Emerson 4.1%. (10) Ambassador 3.8%.

Cincinnati retail trading zone (1,796 interviews, June 1961-May 1962), TV in 96.7% of homes, color TV in 2.1% of homes: (1) RCA Victor 16.7%. (2) Zenith 15.7%. (3) Philco 13.1%. (4) Admiral 12.1%. (5) GE 9.5%. (6) Motorola 8.2%. (7) Crosley 5.7%. (8) Westinghouse 3.1%. (9) Muntz 2.9% (10) Sylvania 2.5%.

Youngstown city trading zone (1,065 interviews, June 1961-May 1962), TV in 97.3% of homes: (1) RCA Victor 22.5%. (2) Philco 22.3%. (3) Motorola 9.4%. (4) GE 8.2% (5) Admiral 7.6%. (6) Zenith 6.9%. (7) Emerson & Sylvania 3.1% each. (9) Crosley 2.8%. (10) Silvertone & Magnavox 2.6% each.

Portland, Ore. metropolitan area (more than 1,800 interviews, Jan. -Dec. 1962), TV in 94.4% of homes: (1) RCA Victor 15.4%. (2) Zenith 14.1%. (3) Admiral 9.4%. (4) Motorola 8.3%. (5) Philco 6.4%. (6) GE 6.4% (7) Silvertone 6.1%. (8) Hoffman 4.9%. (9) Packard Bell 4.6%. (10) Westinghouse 3.4%.

Philadelphia-Delaware Valley (more than 2,000 interviews, Jan. 1963), TV in 96.9% of homes: (1) RCA Victor 31.4% (2) Philco 19.6% (3) Zenith 9.9% (4) Admiral 9.7%. (5) GE 9.6% (6) Motorola 8.5%. (7) Silvertone 5.8%. (8) Westinghouse 4.6%. (9) Magnavox 3.1%. (10) Sylvania 1.8%.

Beaumont, Tex. (1,000 interviews, 1962), TV in 97% of homes: (1) Philco 16.8%. (2) Motorola 15%. (3) Zenith 11.6%. (4) RCA Victor 9.7%. (5) GE 8.6%. (6) Silvertone 8.2%. (7) Admiral 5%. (8) Westinghouse 3.6%. (9) Hoffman 3.1%. (10) Truetone 2.5%.

Houston, Tex. retail trading zone (2,022 interviews, July 1961-June 1962), TV in 91.6% of homes: (1) RCA Victor 16%. (2) Philco 13.2% (3) Silvertone 11.7%. (4) Zenith 10.6%. (5) GE 9.6%. (6) Motorola 9.5%. (7) Admiral 7.3%. (8) Truetone 3.3% (9) Westinghouse 3.2%. (10) Hoffman 2.9%.

Huntington, W. Va. -Ashland, Ky. metropolitan area (1,642 questionnaires returned, June-July 1962), TV in 93.1% of homes: (1) RCA Victor 19.9%. (2) GE 17.7%. (3) Motorola 16.5%. (4) Philco 14.2%. (5) Admiral 7.8% (6) Silvertone 7%. (7) Zenith 6.1%. (8) Magnavox 2.4%. (9) Emerson 2.3%. (10) Westinghouse 2.1%.

Further information & complete surveys may be obtained from sponsoring newspapers or their reps: Miami Herald, Detroit News, Minneapolis Star & Tribune, Charlotte Observer & News, Akron Beacon Journal, Cincinnati Enquirer, Youngstown Vindicator, Portland Oregonian, Philadelphia Inquirer, Beaumont Enterprise & Journal, Houston Post, Huntington Publishing Co.

Trade Personals

D. Brainerd Holmes, ex-RCA official whose resignation as director of U. S. manned space flight program becomes effective Sept. 15, joins Raytheon Oct. 1 as a senior vp; Raytheon finance Vp **George Ingram Jr.** promoted to senior vp & elected to board.

Frank D. Langstroth, recently promoted to Sylvania govt.-industry relations vp, resigns to become Hoffman Electronics marketing vp... **Brian Marohnic** promoted to Zenith national service mgr.

M. E. Karns elected to new post of RCA licensing vp; **Stephen S. Barone** promoted to succeed Karns as RCA International Div. license operations vp... **Frank R. Buchanan** named financial planning & controls mgr. in newly created RCA Commercial Receiving Tube & Semiconductor Div. Other new appointments in division: **Harold A. DeMooy**, receiving tube operations dept. mgr.; **Norval H. Green**, commercial semiconductor operations dept. mgr.; **George J. Janoff**, marketing dept. mgr.; **Kenneth M. McLaughlin**, memory products dept. mgr.

Frank J. Ehringer, ex-automotive products vp-gen. mgr., elected pres. of Tung-Sol, succeeding **Milton R. Schulte**, who retired along with Chairman **Louis Rieben**; electron tube div. vp-gen. mgr. **Paul Scharninghausen** elected to board.

David L. Milling, ex-DuPont & Westinghouse, named adv. sales mgr., Magazine Div., Howard W. Sams & Co.; he's son of **J. A. (Shine) Milling**, pres. of Sams Div.

Frank J. O'Brien resigns as Motorola purchasing vp... **Joseph S. Campbell**, ex-Hoffman & Packard Bell, named mgr. of Admiral govt. electronics div.'s new Washington office in Cafritz Bldg.

John J. Douglas, pres. of Lenkurt Electric, Nov. 1 becomes GT&E finance exec. vp, succeeding **Thomas A. Boyd**, retiring... **Louis C. Lerner**, exec. committee chairman, also elected chairman of National Co., succeeding **Herbert C. Guterman**, who resigned as chairman but continues as dir.

C. Gayle Warnock, ex-Raytheon PR dir., rejoins Ford as resident mgr. of its N. Y. World's Fair exhibit... **Norman Sanders**, ex-University Loudspeakers, named hi-fi products sales mgr., Bogen div. of Lear Siegler.

John F. O'Donnell promoted to International Resistance major industrial mktg. mgr., succeeding **Kenneth C. Dreusicke**, named Burlington Div. mktg. mgr... **Henry J. Schulthesz** appointed business mgr., IIT Research Institute.

New Cal. laws regulating TV-radio repairmen require: (1) Written estimate of repair costs must be given customer who requests it, before work is started. (2) Customer must receive itemized invoice of all parts & labor, and replaced parts must be returned. (3) Service dealers must be registered, beginning Jan. 1, 1964. New Bureau of Electronic Repair Dealer Registration is empowered to go to court to stop deliberate overcharging, misrepresentation of used parts as new, misleading advertising, etc.

Endorsement of legislation to repeal excise tax on all-channel sets was voted by board of directors of National Assn. of Music Merchants.

Distributor Notes: Olympic Radio & TV appoints 4 new distributors: **Reliable Brands**, 35 Cline St., Dayton, O. for Ohio; **TCR Distributors**, 1205 East River Drive, Davenport, Ia., for Iowa; **Dutch Valley Distributors**, 1399 Dutch Valley Place, N.E., Atlanta, for Georgia; **East Coast Appliance**, 911 Lady St., Columbia, S.C., for South Carolina... **Admiral** names **George A. Lubenow** regional sales mgr. covering distributors in Phoenix, Reno, Salt Lake City & Fresno... **Admiral** appoints newly formed **John L. McDonald Distributing** (former Admiral regional sales mgr. **John L. McDonald** is gen. mgr., **Elton M. Tuttle** credit mgr., **Charles V. Safarik Jr.** service & parts mgr.), 1523 Marcy St., Omaha, distributor for 71 Nebraska counties & 7 west central Iowa counties, replacing **K. K. Co.**, Omaha... **Olympic Radio & TV** names **Theodore Bloom** pres. of sales subsidiary Olympic of Southern New England Inc., New Haven, Conn., a new post.

Philco joined move to lower-priced 19-in. portables at week's end with introduction of new leader in its Starlite line. Although no list price was established, it's understood to be competitive with Admiral, Emerson, GE & Sylvania low-end 19 listing at \$129.95. Previous low-end Starlite was \$149.95. Among other new sets in Philco "Fall Festival" series are redesigned 19-in. Townhouse line and new 23-in. table model (no list prices, but believed to be unchanged). Also introduced were special stereo ensembles, built around table model with matching base and auxiliary room speakers.

Emerson's 18-in. set at \$99.95 now represents between 15 & 20% of company's unit TV shipments, Pres. Benjamin Abrams told us last week. He said Emerson's entire line has benefited from this price leader, and he forecasts that company's good business would continue through the year. Emerson, he added, is now making "proportionately more all-channel receivers than any other manufacturer"—currently 18-20% of its total production. He estimated percentage would go up to 25-30% this fall.

Pilot Radio will make color TV sets this fall, Vp-Gen. Mgr. Roland J. Kalb has announced, confirming report in these pages last month (Vol. 3:26 p 11). A pioneer in TV (Pilot claims to have built first commercial TV set in 1928), Pilot, now a subsidiary of Jerrold Electronics, will make its own chassis for use in TV-radio-phono combinations.

New lower-price Sony transistor TV has gone on sale in Japan, but officials of Sony Corp. of America say it's designed for home market only, and there are no plans to sell it in U. S. Like Sony's Micro TV set sold here, new set is also 5 1/2-in., but is sold in straight AC version without converter for battery. Battery & converter can be purchased separately. Sony set sold in U. S. has built-in converter, and battery pack is sold as accessory.

Crackdown on stores selling hi-fi components without UL seal probably will force court test of Portland, Ore. ordinance banning sale of non-UL approved equipment. Seven Portland retailers have been ordered to remove non-approved devices; all pledged battle in courts, arguing that equipment they sell has met all tests of City of Los Angeles Electrical Testing Lab.

Packard Bell reports sales of home products reached all-time high in first half 1963, increasing 32.8% over same 1962 period, with color TV registering greatest gains.

PHILIPS PROBES TUBE MARKET: Dutch-made picture tubes, from Philips, are still being sold to set makers in U. S., but Amperex (the North American Philips subsidiary) still says it probably won't be able to determine whether to stay in U. S. picture tube business long before year is over.

Amperex declines to state which set manufacturer is purchasing its picture tubes, but it's common knowledge in industry that Motorola is buying some or all of them. Philips tube being sold here is 23-in. 110-degree "heavy" tube (23CMP4). Amperex's Edgar Meagher denies that Philips tubes are being sold here at lower prices than domestically made tubes. "We can't tell whether we'll stay in this field until we've had a little more experience in it," he adds.

In another parts import development, General Instrument became 3rd U. S. tuner maker to sign agreement with Japanese firm. GI and Kataoka Electric Co. have reached deal under which Kataoka will make uhf tuners using GI designs. Other tuner makers have agreements for TV tuners—not necessarily uhf—with Japanese firms. For example, it's understood that vhf tuners in both GE & Admiral 11-in. sets are being built by Noble-Oak in Japan.

Delmonico International consolidated its operations in 140,000-sq.-ft. plant in Maspeth, L. I., following acquisition of Shaw Mfg. Co., Brooklyn cabinet manufacturer. Exec. Vp Herbert Kabat hailed acquisition as making possible greater console production keyed to American designs. Delmonico also started new distribution program with opening of Boston branch, with Detroit branch due for opening soon. Kabat said company will have 10 branches, each with showroom, service facilities & warehouse, by year's end. He said Delmonico sales last year approximated \$14 million, and will rise to \$18 million this year, reaching \$25 million by 1965.

Heavier penetration into consumer field is goal of Ampex, which has formed new consumer products div. It has introduced first 4 models of new line of stereo tape recorders. New div. is headed by John N. Latter, who is also Ampex controller. New recorders introduced were priced from \$549.50 to \$695, but lower-priced models will be introduced soon, including self-contained portable stereo system at less than \$500.

Sansei Electronics Industry Co. will establish assembly plant in San Fernando, Cal. to assemble phono consoles from Japanese parts for sale to U. S. manufacturers and under its own "Hi-Mood" brand name. U. S. operations will be handled by new subsidiary, Sansei Electronics Corp. of America, headed by Vp Shigetada Chikazawa.

Zenith introduced lower-priced radios, including gift-packed shirt-pocket set at \$16.95—\$3 below former price leader, and first Zenith set to use Japanese parts. Other new Zenith radios: Pocket set with RF amplification, \$39.95; FM & FM-AM radios at \$39.95 & \$49.95; 3 clock radios, one open list, the others \$39.95 & \$49.95.

Jerrold enters uhf converter market with 2 home models to be sold through its Distributor Sales Div. — the "Vista" for strong signal areas, and transistorized "Super-Vista" for weak signal areas.

High-resolution closed-circuit TV camera, with nominal horizontal resolution of 775 lines, has been introduced by Du Mont Labs Divs. of Fairchild for industrial use, at \$2,495.

Tung-Sol has omitted customary 17 1/2¢ quarterly dividend, and Pres. Milton R. Schulte said "results of operations for the quarter ended June 30 have been disappointing." Principal factor was poor semiconductor business, he noted, adding: "In this particular industry overcapacity has continued, and imports have risen at an alarming rate, with resultant declining prices & substantial losses being incurred." Tung-Sol closed its East Orange, N. J. transistor plant July 3, culminating phase-out program started late in 1962 to remove "a drain" on earnings. Tung-Sol & Purolator have terminated merger discussions.

Corporate profits in 1963's 2nd quarter rose to record heights & 3rd-quarter earnings "seem likely to be at a rate close to this record," reported Aug. 1 "Wall St. Journal." Earnings of 496 corporations rose 15.9% to \$3,304,968,000 from \$2,850,621,000 in 1962's June quarter. Twenty-three electronics & electrical equipment firms boosted earnings 7.9% to \$126,219,000 from \$116,954,000. Nine were broad-line companies, and they improved 8.3% to \$114,503,000 from \$105,702,000. Fourteen were specialty companies. Their profits were up 4.1%—to \$11,716,000 from \$11,252,000.

Space-Tone Electronics, in bankruptcy proceedings (Vol. 3:28 p12), reported total assets of \$146,266 vs. \$1,594,784 liabilities. Bankruptcy schedules for 3 subsidiaries showed \$122,379 assets & \$2,178,851 liabilities for American Music Guild, subscription club for stereo records & phonographs; \$48,753 & \$55,552 for Product & Industrial Engineering, maker of components & cabinets; \$1,825,180 & \$1,244,407 for International Acceptance, Space-Tone's sales financing operation. Creditors' meeting is tentatively scheduled for Aug. 7, 10 a. m., in Washington, D. C. Federal Court.

Seven Arts Productions management was criticized by minority shareholders at annual meeting for alleged failure to make "full disclosure" about \$5 million purchase of 20% interest in land development company on Grand Bahama Island. They contended Seven Arts would have been better off concentrating exclusively on entertainment field. Company earned \$1.7 million in its 1963 fiscal year ended Jan. 31 (Vol. 3:24 p 12). Seven Arts denied withholding investment data, said purchase in Grand Bahama Development Co. "was not made in an unwise, imprudent or precipitous manner."

International Resistance foresees "excellent" 2nd half on basis of rise in orders that commenced in 2nd quarter. Pres. Walter W. Slocum said total 1963 sales should top 1962's record \$29.4 million. Earnings are expected to trail 1962's record \$2.5 million but top prior record of \$2.1 million set in 1961.

Muntz TV will redeem at \$1 par value all outstanding preferred shares issued to creditors under the 1956 reorganization plan. Preferred stock certificates must be surrendered for redemption by Aug. 29. Shares outstanding after that date will be cancelled on company's books.

Nippon Electric earned \$3,575,000 or 37¢ a share on \$95,533,000 sales in the 6 months to March 31. Per-share earnings are expressed in American Depository receipts. Year-ago comparisons are not available.

Curtis Mathes stockholders were scheduled to vote at last week's end in Dallas on proposal to double the 1,087,120 common shares authorized to enable company's directors to declare 100% stock dividend in near future.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Admiral	1963—6 mo. to June 30	\$100,418,045	\$3,006,922	\$1,463,295	\$0.60	2,423,561
	1962—6 mo. to June 30	94,740,193	2,590,784	858,058	.35	2,417,461
	1963—qtr. to June 30	50,510,359	1,446,109	678,750	.28	2,423,561
	1962—qtr. to June 30	46,430,284	1,233,337	348,101	.14	2,417,461
Andrea Radio	1963—6 mo. to June 30	2,156,576	—	(2,904)	—	254,136
	1962—6 mo. to June 30	2,733,058	—	149,711	.59	254,136
	1963—qtr. to June 30	1,212,082	—	3,304	.01	254,136
	1962—qtr. to June 30	1,277,746	—	62,526	.25	254,136
American Electronics	1963—6 mo. to June 30	5,741,713	—	189,192 ¹	.16 ¹	1,177,842
	1962—6 mo. to June 30	4,603,307	—	(354,451)	—	1,177,842
	1963—qtr. to June 30	3,003,253	—	64,926 ¹	.06 ¹	1,177,842
	1962—qtr. to June 30	1,950,510	—	3,771	—	1,177,842
Audio Devices	1963—6 mo. to June 30	4,004,450 ²	469,605	242,605	.28	868,371
	1962—6 mo. to June 30	4,070,103	446,196	223,196	.26	844,526
Lear Siegler	1963—year to June 30	193,072,259	7,555,898	4,750,574	1.20 ³	3,894,293
	1962—year to June 30	190,782,798	12,384,015	6,005,006	1.51 ^{3,4}	3,918,023 ⁴
Macfadden-Bartell	1963—6 mo. to June 30	12,083,250	—	627,007	.39	—
	1962—6 mo. to June 30	11,229,928	—	(393,629)	—	—
National Union	1963—6 mo. to June 30	18,560,975	1,095,411	526,411	.09	5,547,000
	1962—6 mo. to June 30	18,478,849	1,143,301	545,801	.09	5,747,479
Sonotone	1963—6 mo. to June 30	11,064,434	—	105,412	.08 ³	1,224,491
	1962—6 mo. to June 30	10,527,606	—	150,895	.12 ³	1,220,430
TelePrompter	1963—6 mo. to June 30	2,715,040	69,224	69,224 ⁵	.09	—
	1962—6 mo. to June 30	2,268,540	—	— ⁶	—	—
	1963—qtr. to June 30 ⁶	1,472,045	—	149,911	.20	—
Tung-Sol	1963—26 wks. to June 29	28,921,715	285,609	137,609 ⁷	.03 ³	926,826
	1962—26 wks. to June 30	35,567,514	1,534,635	713,635	.65 ³	926,826

Notes: ¹ After reserve of \$50,000 (4¢ a share) against losses on an investment. ² Second quarter sales \$2.1 million, 10% above last year. ³ After pfd. dividend. ⁴ Adjusted to reflect 3% stock dividend in fiscal '63. ⁵ Includes special credit from sale of property. ⁶ 1962 results unavailable. ⁷ Before non-recurring costs of approximately \$70,000.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
I-T-E Circuit Breaker.....	-----	no action	Aug. 6-----	
Lear Siegler.....	Q	\$0.10	Sept. 3	Aug. 16
Lear Siegler.....	—	3%	Sept. 17	Aug. 16
Litton Industries. Ann.		2½%	Nov. 1	Oct. 18
Storer Bcstg....	Q	.45	Sept. 9	Aug. 23
Storer Bcstg. 'B'. Q		.12½	Sept. 9	Aug. 23
Thompson Ramo Wooldridge... Q		.35	Sept. 15	Aug. 23
United Artists... Semi.		2½%	Oct. 29	Sept. 13

Granco Products, operating under Chapter 11 bankruptcy petition (Vol. 3:18 p 12), has filed 10% plan under which unsecured creditors would receive lump payment of 10% of their claims one year from date of confirmation. Plan reportedly has approval of creditors' committee. Next hearing: Aug. 15 at 2 p. m., before Referee Sherman D. Warner in Jamaica, N. Y.

Admiral sales for 2nd quarter were highest since 1953, and sales & earnings were above 1962 for both quarter and first half (see financial table). Pres. Vincent Barreca said civilian business registered 15% gain in quarter, while govt. sales decreased. He said distributor sales of Admiral color TV in first half were more than double last year's figure, accompanied by gains in b&w. He added that optimism for 2nd half by distributors & dealers is far greater than at any time in recent years.

Owens Illinois Glass Co. reported 4% sales gain and 1.5% decline in profits during first half, compared with last year. In commenting on company's operations, Chmn. J. P. Levis said: "TV bulb sales rose substantially as our new Kimcode system continued to increase in popularity with TV set makers."

Trans-Lux Corp. reports net income of \$343,092 (48¢ a share) for 6 months ended June 30, compared with \$358,795 (50¢) for same 1962 period.

WEEKLY **Television Digest**

with

Consumer Electronics . . .

The authoritative service for executives in all branches of the television arts & industries

AUGUST 19, 1963

NEW SERIES VOL. 3, No. 33

SUMMARY-INDEX OF WEEK'S NEWS

Consumer Electronics

CONGRESS LOOSENING ETV PURSESTRINGS, may compromise on \$6 million for station construction, of the \$32 million authorized for 5 years (p. 1).

NEW ATTEMPT AT PAY-TV ON WEST COAST: Subscription TV Inc. being formed by Lear-Siegler, Reuben H. Donnelley Corp., veteran promoter Matty Fox, others, plans to televise Giants & Dodgers games in 1964 (p. 2).

NIELSEN SAYS 'YES'; HARRIS STAFF ACTIVITY: Major TV rater endorses NAB reform plan, sends application for accreditation; Harris Subcommittee plans to publish edited 4-volume hearings transcript in addition to report (p. 2).

CATV—INDUSTRY IN TRANSITION—ready for some federal regulation as telecasters & theatermen continue to move in. But some seek congressional help to keep FCC from getting 'too tough' (p. 3).

DAVID BLANK—CBS'S FREE WHEELING economist—featured in "Business Week", sees TV revenues rising 9% annually in next decade (p. 4).

CONGRESS LOOSENING ETV PURSESTRINGS: Genuine shot in arm for ETV is finally expected from Congress, which last year voted measly \$1.5 million for station construction. Senate has just voted \$7 million, House \$5 million, for year beginning July 1, 1963—of the \$32 million to be spent over 5-year period. Senate-House conferees frequently compromise, so \$6 million may well be final figure.

With few choice commercial vhf channels in prospect, much attention is drawn to ETV station potential. To suppliers of station equipment & services, this is nothing to sneeze at. NETRC estimates that the 79 existing ETV stations represent a \$50 million investment, \$20 million annual operating costs—covering 34 states with 104 million people in their service areas.

Dr. John Bystrom, HEW's ETV chief, tells us that surveys indicate some 80 station starts are likely by Jan. 1, 1965, that states plan 125-150 more within 2 years thereafter.

Costs of station vary enormously, of course, but Dr. Bystrom estimates average cost of construction at \$350,000, annual operating about half that. William Harley, pres. of NAEB, says his organization estimates there will be 175-200 stations by 1968.

Equipment makers don't noise their estimates around. One thing they do say, however, is that a lot of people are talking blue sky when they speak of "thousands" of stations within 5-10 years.

Intriguing Samoan ETV project, for which Congress has appropriated special \$1.75 million fund, is expected to begin telecasts in Feb. NAEB is supervising program, designed to lift Samoa's educational standards through 3 instructional channels. Smith Electronics handled design engineering. Project includes receivers, studios, microwave, translators, etc. NAEB is overseeing hiring & training of station personnel & teachers.

Broadcast

TV SALES UP & CLIMBING AT MIDYEAR: Distributor volume hits record 541,810 b&w TVs in June, pushes year-to-date totals to 2,956,808 vs. 2,724,038 a year earlier, EIA figures show; radio sales lag (p. 5).

SET MAKERS POST SOLID FIRST-HALF GAINS: Our analysis of 15 TV-radio manufacturers shows 12 increased sales, 10 boosted earnings, and combined volume & profits were well ahead of 1962's first-half pace (p. 6).

QUALITY STABILIZATION—ANOTHER GO-ROUND: Senate Commerce Subcommittee opens 3-day hearings today on S-774 legislation amid growing industry belief that some form of QS law will pass House this year (p. 7).

RCA DROPS COLOR PRICE: Makes first reduction in base price in 7 years, with 21-in. black metal table model at \$449.95 (p. 9).

CBS'S RECORD PACE: Sales & earnings climb to record levels both in first half & June quarter. First-half profits jump nearly \$5 million to \$19.4 million on \$20 million sales gain to \$273.3 million (p. 9).

NEW ATTEMPT AT PAY-TV ON WEST COAST: Another crack at televised baseball in San Francisco & Los Angeles, via cable pay-TV, seems to be in works again. Subscription Television Inc. has been formed, and familiar name of Matty Fox is in there again. Details haven't been announced, but they're due to be released when stock registration is filed with SEC this week.

Firm involves 2 major companies: West Coast electronics manufacturer Lear-Siegler (which has Olympic as set-making subsidiary) and Chicago-centered Reuben H. Donnelley Corp. (best known as "Yellow Pages" publisher). Third element in picture includes Fox and ex-"Seventeen" magazine publisher Robert F. MacLeod.

Company will be capitalized at \$22 million; original investors are putting up an additional \$6 million. Lear-Siegler has designed wired-TV equipment; lines will be leased from phone company. Donnelley will handle billing. Fox, who's been working on similar project since San Francisco Giants & Los Angeles Dodgers moved to Coast in late 1950's, reportedly still has pay-TV contracts with these clubs under his Skiatron banner.

Plans call for pay-televising of Giants & Dodgers home games sometime next year. Company will expand to other cities if West Coast project is successful. Firm reportedly also has contract with impresario Sol Hurok for cultural fare. Other programming, e. g. movies & taped shows, also is planned.

Basic monthly charge reportedly would be \$4.33, after \$10 installation fee. Costs for each offering would range around \$1-\$1.50. Because Giants have contract with city of San Francisco, deal would have to be cleared with city officials.

SEC stock filing is expected to tell how much Subscription Television Inc. will be paying ball clubs for TV rights. When Skiatron was dealing with Giants about 5 years ago, there were reports of a \$37.5 million deal over 15 years; another story mentioned \$2 million over 2 years.

NIELSEN SAYS 'YES'; HARRIS STAFF ACTIVITY: Nielsen's long-awaited application for Rating Council accreditation—indicating final endorsement of reform plan—has been received by NAB. Company originally favored audit-only idea, balked at accreditation & setting of standards (Vol. 3:30 p4).

NAB now has OKs from all major raters. Rating Council's next step, by end of month: Send raters detailed questionnaires on their methods, with set of standards applying to all research services (Vol. 3:31 p3). Compliance with standards and with performance outlined in questionnaires will determine accreditation.

Articles of incorporation for non-profit company to oversee audit are being drawn up by NAB. Rating Council Inc. is tentative name, with present Council serving as board. Small staff will administer program. Bids have been requested from companies to do auditing under RCI supervision.

Harris Subcommittee staff keeps anxious eye on rating developments. Chief counsel Charles Howze plans to meet Aug. 19 & 22 with NAB rating principals—Group W's Donald McGannon, NAB vp's Howard Bell & Melvin Goldberg, possibly others. Subcommittee attorney Robert Richardson, who leaves staff job Aug. 20, will attend first meeting.

Meetings are viewed as critical by Howze, who's faced with task of weighing proposals & alternatives for Subcommittee members. It's understood Subcommittee wants to be reassured that NAB is ready to speak for entire industry. Nielsen's endorsement of NAB plan brightens picture considerably.

Here's latest staff planning on wrap-up of rating hearings, to be given to Subcommittee: Subcommittee report, as we indicated earlier, will contain 3 parts—background leading up to hearings, general survey of hearings highlights, findings & recommendations (Vol. 3:27 p3; 3:31 p3).

There's also tentative plan to publish edited transcript of hearings, which would appear before report. Because of size, it would be in 4 volumes: (1) First part of hearings covering testimony of networks, stations, FTC Chmn. Dixon & NAB Pres. Collins's initial appearance, in present edited form about 600 pages. (2) Testimony of all rating services, except Nielsen, about 500 pages. (3) Nielsen, which was on the stand about 10 days, about 600 pages. (4) FCC Chmn. Henry, RAB Pres. Bunker, Census Bureau witnesses, Collins's second appearance with McGannon, size not yet determined.

Another matter which may appear in printed record is report from each network on shows cancelled on basis of ratings. FCC Chmn. Henry promised to get this from networks. It will be ready by early Oct.

Investigator Richardson leaves to set up law office in Weatherford, Okla., preparatory to running for Congress from 6th district in Democratic primary next year. Rep. Wickersham (D) is incumbent.

Before he leaves ratings scene, however, Richardson will have something to say. He'll address Oklahoma Bcstrs. Assn. Aug. 24, on local ratings; he's tentatively set to participate in RAB management conferences in Dallas Sept. 16-17, Chicago Sept. 30 & Oct. 1; he also plans speech to Missouri Bcstrs. Assn. Oct. 3-4.

AAAA issued 20-page report evaluating radio research, said present state "frustrates and annoys a large percentage of media planners." It said that although there have been many prior reports & studies, "not much progress has been made toward objective study of valid ways of determining and reporting radio audience size and characteristics."

RAB Administrative Vp Miles David, welcomed report, said AAAA's recommendations are similar to RAB's objectives for its proposed \$200,000 methodology study.

AAAA research subcommittee evaluated: (1) Basic market data (2) Station coverage data (3) Audience research. It urged radio to implement recommendation of 1961 "Madow Report," calling for establishment of Office of Research Methodology to evaluate & develop "the most valid and reliable" methods.

Other recommendations: Standardize coverage reporting procedures, county-by-county, based preferably on consumer coverage reports of actual listening; provide revised coverage reports where technical facilities or programming is changed; standardize station & program characteristics on listener attitude or qualitative studies; develop sharper measures of effect of station "environment" on response to commercials.

CATV-INDUSTRY IN TRANSITION: Community antenna business is certainly in flux. The "big boys" continue to move in. Prominent telecasters have taken plunge. Many theater people who missed boat on TV stations are making sure they don't overlook this 2nd chance at TV. Watch for more big moves before long.

Backwoods flavor of early CATV days is fast dissipating. CATV has become significant enough to draw attention of govt., as well as eye of investors.

National Community TV Assn. has come a long way toward accepting a degree of federal govt. regulation-willing to exchange some freedom for some protection of chaos of patchwork local-station regulation.

When FCC returns from Aug. vacation, new round of discussions begins. Much depends on Chmn. Henry. Former Chmn. Minow really wanted to wrap up a final agreement before he left, regretted that he didn't. FCC staff has taken tougher line than Minow did. Thing to watch for is Henry's attitude; it will set tone for discussions.

There's militant faction within NCTA which vows not to accept a tough line. It has found it has some influence in Congress, and there's talk of pushing a "ripper bill"-to take FCC apart. Of course, similar talk has come from some broadcasters, too, when they're displeased with Commission. It never seems to worry FCC seriously, apparently.

Prospects of CATV regulation, tough or lenient, don't faze CATV hopefuls. We've checked around, for example, and found new systems starting in last 3 months in following communities: Fairbury, Neb.; Olney, Ill.; El Cajon, Cal.; Oakland, N.J.; Rochester, Minn.; Jackson, Miss.; Honolulu; Waycross, Ga.; Vincennes, Ind.; Springfield, Ill. And the country seems awash with CATV prospectors.

Little is heard about overseas developments-but there are persistent rumors of substantial things in works-and some of industry's saviest people have been out scouting.

We look for heat in the business this winter.

DAVID BLANK—CBS'S FREE-WHEELER: "The Man for All Seasons at CBS" titles Aug. 10 "Business Week" article on economist David Blank. The highly respected but little publicized Blank is given very free hand—and researcher Frank Stanton, CBS pres., is delighted with Blank's results.

Article reports that "Wall Streeters" were dubious about TV & CBS growth potential, stimulating Blank to make study concluding TV revenues should increase 9% annually for next decade, that TV-home saturation should rise from 91% to 96% in same period, that rates could be increased accordingly.

Story notes that Blank decided color-set-sales figures—unavailable from industry (meaning RCA)—could be determined by projecting color-set counts made by 6 electric utility firms. He concluded 425,000 were sold in 1962.

Blank also challenges McCann-Erickson's figures showing 1929 to be "Golden Age" in which advertising took greater share of Gross National Product than it has since. Blank claims ad percentage has grown steadily. TV station sellers ought to be particularly pleased with Blank's projections.

Senate version of FCC-requested bill to give it "greater discretion" in approving station sales was introduced by Sen. Magnuson (D-Wash.). S-2052 would give Commission opportunity to evaluate public interest aspects of sale by allowing it to consider buyers other than those proposed by sellers. Comr. Bartley would add proviso that seller "prove" transfer would create "improved broadcast structure." Similar House measures (HR-7477, 7478) were introduced last month (Vol. 3:28 p5).

White House meeting with broadcasters, similar to those President Kennedy has been holding with newspaper editors & publishers, takes place Aug. 22, described as first of a series. Luncheon will be attended by 22 station executives—no network or NAB representatives though NAB played part in working out idea with Pierre Salinger, President's news chief.

Puerto Rico is added to ARB's local TV market reports, with 2 surveys of San Juan scheduled for 1963-64. These will be taken during ARB's customary Nov. & March nationwide sweeps. One TV station has subscribed so far, and several agencies & advertisers are interested, says ARB.

Segregationist congressmen are keeping on FCC's trail, checking on Commission's interpretation of "fairness," seeking more network & station exposure of their views. Commission answers with reiteration of its recent policy statement (Vol. 3:30 p3).

CBS donated \$250,000 for ETV Ch. 28 in Los Angeles. Dr. Lee DuBridge, chmn. of Community TV of Southern California, said station expects to be on air in fall 1964.

Five-station ETV network in Pennsylvania has moved step closer. Bill providing \$970,000 for project was signed by Gov. Scranton.

Omaha local-live hearing report by FCC Chmn. Henry has been delayed, is now expected in early Sept.

Metropolitan Bcstg.'s 7 TV stations join TvB.

1964 TELEVISION FACTBOOK ADVERTISING

The 1964 Edition of *Television Factbook* (#34) is now in preparation and advertising space reservations are being accepted. The *Factbook*, with a circulation sharply increased to 10,000, is used daily by executives in all facets of the TV industry—the people who make the decisions and buy time, equipment, services. Thus it becomes the most effective advertising medium available to those selling to the television industry. The *Factbook*, including its exclusive coverage maps and viewing data, marketing information and directories, will be fully up-dated throughout. Furthermore, it will contain the most comprehensive International Television Directory yet published. To reserve your advertising space in this 1200-page-plus compendium, call, write or wire: *Television Factbook*, 2025 Eye St. N.W., Washington 6, D.C.; Area Code 202-965-1985; TWX: 202-965-0979. Many choice positions are still available. Copy deadline is October 15th.

Robert D. Swezey, NAB Code Authority dir., leaves \$40,000-a-year job Oct. 15 when contract expires. Pres. Collins lauded him as he left, said there's no hurry to pick successor who'll probably be named in late fall. Collins will choose him, subject to Board confirmation, salary to be negotiated. Before leaving, Swezey will help arrange Code Review Board meetings before Fall Conferences which start Oct. 14.

Personals

Joseph H. McConnell, Reynolds Metals pres., NBC pres. 1949-52, named chmn. of U.S. delegation to Oct. 7-Nov. 8 ITU space communications allocations conference, in Geneva.

Stimson Bullitt, chmn., KREM-TV-AM-FM Spokane, elected pres., succeeding **Louis Wasmer**, resigned; **Mrs. A. Scott Bullitt**, chmn. of parent King Bcstg., named KREM Bcstg. chmn.; **Ancil H. Payne** elected King business vp.

Thomas E. Cunningham appointed UPI TV-radio sales mgr. . . **Norman Wagy** promoted to news & editorial dir., WJW-TV Cleveland, succeeding **Ken Armstrong**, resigned.

Sam Chase, "Billboard" editor-in-chief, resigns to form management consultant firm at 527 Madison Ave., N.Y.; **Lee Zhito** promoted to succeed him.

James Karyan appointed by NBC News to produce Washington documentaries. . . **Donn B. Duffy** appointed national sales service coordinator, WTTG Washington.

Stephen R. Rintoul, vp & radio sales mgr., Venard, Torbet & McConnell, N.Y., transfers to Chicago in similar capacity, succeeded by **Brock Petersen** as N.Y. radio sales mgr.

New reps: KARD-TV Wichita, to Petry from Peters, Griffin, Woodward; new WHNT Huntsville, Ala., due to start in early fall, to Venard, Torbet & McConnell; KRCR-TV Chico-Redding & new WNBE-TV New Bern, N.C., to Adam Young Inc.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TV SALES UP & CLIMBING AT MIDYEAR: Buoyed by record June volume, distributor sales of black-&-white TVs closed out 1963's first half more than 200,000 units ahead of 1962's initial 6 months. Official EIA figures show Jan.-June TV sales of 2,956,808 units—up from 2,724,038 in same 1962 period.

June TV sales, as forecast in informal preliminary report (Vol. 3:30 p10), picked up sharply from April-May doldrums, climbed to 541,810 units from June-1962's record 480,510. Sales surge made June 1963's 2nd highest month, topped only by March's 601,797.

June also was big radio sales month—but not big enough to top year ago or to push cumulative business ahead of 1962's first-half totals. Distributor radio sales at close of half totaled 3,935,670—sharply behind year-earlier's 4,800,574. June's 811,923 volume was 1963's 2nd highest monthly total—topped only by March's 818,510. However, June volume lagged well behind year-ago's 1,040,598.

Here are EIA's official midyear TV-radio distributor sales to dealers:

TV-RADIO DISTRIBUTOR SALES

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
March	601,797	580,876	818,510	917,236
April	395,166	364,742	637,443	809,499
May	378,215	310,799	598,410	772,479
June	541,810	480,510	811,923	1,040,598
TOTAL	2,956,808	2,724,038	3,935,670	4,800,574

Same TV-up, radio-down pattern prevailed in production. First-half TV output ran markedly ahead of year ago—3,459,921 vs. 3,295,501. June was 1963's 2nd highest TV production month, saw outpouring of 665,004 sets vs. 620,653 in June 1962.

June also was marked by highest monthly output of all-channel TV receivers in 7 years. Production of 107,500 all-channel sets more than doubled June-1962's 50,283, pushed year-to-date output to 433,339 vs. 275,446 in 1962's first half.

Total radio production ran behind year ago in both June & cumulative totals. June's 1,653,866 was highest monthly total for year but short of June-1962's 1,721,873. Jan.-June production trailed year ago by nearly 700,000 units—8,585,238 vs. 9,264,445.

FM radio production, excluding FM car radios, was upbeat all the way. Year-to-date output out-ran year-earlier, 640,907 vs. 459,508. June's 154,818 sets were 1963's highest monthly output and strongly ahead of June 1962's 92,287. Auto radio production was ahead on June-to-June reckoning 670,106 vs. 629,004, and year-to-date 3,752,626 vs. 3,271,477.

FM-stereo reception capability was incorporated in 57% of all TV-radio & radio-phono combinations produced during 2nd quarter, EIA also noted. This compares with approximately 50% of first-quarter production. Of April-June's 354,824 combinations, 203,324 are FM-stereo equipped. This breaks down into 27,017 of total 57,829 TV-radio combos produced; 176,307 of total 296,995 radio-phonograph combinations.

Here are EIA's official TV & radio production figures for first half:

BLACK-&-WHITE TELEVISION PRODUCTION

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
April	548,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
June	<u>665,004</u>	<u>620,653</u>	<u>107,500</u>	<u>50,283</u>
TOTAL	3,459,921	3,295,501	433,339	275,446

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	594,505	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
April	1,359,769	1,472,654	596,899	519,296	102,208	63,193
May	1,384,063	1,444,074	555,812	504,846	119,756	62,292
June	<u>1,653,866</u>	<u>1,721,873</u>	<u>670,106</u>	<u>629,004</u>	<u>154,818</u>	<u>92,287</u>
TOTAL	8,585,238	9,264,445	3,752,626	3,271,477	640,907	459,508

SET MAKERS POST SOLID FIRST-HALF GAINS: TV-radio manufacturers generally gained momentum in June quarter & rounded 1963's halfway mark with collective sales & earnings strongly ahead of year earlier. Sales picture, however, was brighter than profit performance, and several firms closed first half with earnings lagging. In most cases, it should be noted, profit declines were attributed to investments in upcoming color TV production.

Six volume producers of TVs & radios—Admiral, Andrea, Magnavox, Motorola, Wells-Gardner, Zenith—boosted amalgamated sales \$28.6 million to \$528.6 million from \$500 million in 1962's first half. Their earnings rose some \$345,000 to \$18.6 million from \$18.2 million. The 1963 figure is after deducting Andrea's \$2,904 loss. At end of first quarter (Vol. 3:20 p9), it's interesting to note, earnings of 8 volume set makers declined by some \$300,000 despite \$17.2 million sales gain over 1962's initial 3 months.

Impressive first-half gains were posted by 5 companies—Arvin Industries, GE, GT&E (Sylvania), RCA, Westinghouse—in which TVs & radios are but several of numerous consumer & defense products. They boosted first-half sales by \$206 million to \$5.025 billion from \$4.819 billion, increased profits \$20.7 million to \$229.6 million from \$208.9 million.

Our first-half sales-profit analysis also included 4 volume set makers—Muntz TV, Pacific Mercury, Packard Bell, Trav-Ler—whose 9-month or 12-month fiscal periods closed during calendar half. Their combined sales rose \$3.8 million from year ago to \$91.1 million from \$87.3 million. Their earnings rose by some \$727,000 to \$2.1 million from \$1.3 million. The 1962 figure is after deducting Packard Bell's \$333,000 loss.

Over-all, our analysis of these 15 set makers produced these nutshell findings: (1) Overwhelming number—12 of 15—netted sales gains. (2) Ten of 15 increased earnings. (3) Combined sales & profits were markedly ahead of first-half 1962. (4) Only one of 15—Andrea—failed to close first half in the black. (5) Six companies posted sales records. (6) Four set makers had record earnings.

Among volume producers, Motorola & Zenith had record sales, and latter also posted record earnings. Among multi-product companies, record sales & earnings were scored by GT&E, GE & RCA. Westinghouse had record sales.

Profit gains of 10 firms that improved earnings were sizable in number of instances. RCA jumped \$5.4 million to \$29.4 million from \$24 million. GE rose to \$126.1 million from \$120 million. Packard Bell bounced back from year-earlier \$333,000 loss with \$805,000 profit. GT&E climbed to \$46.3 million from \$38.4 million. Pacific Mercury, in year to March 31, nearly doubled earnings to \$482,740 from \$252,749.

Major sales gains were produced by Admiral—to \$100.4 million from \$94.7 million; Zenith—\$166.3 million from \$146 million; Motorola—\$172.2 million from \$159.7 million. Westinghouse pushed over billion dollar sales mark from \$957 million. RCA jumped to \$877.3 million from \$853.9 million.

Here are 1963-vs. 1962 first-half performances of 6 volume producers:

	Sales		Earnings	
	1963	1962	1963	1962
Admiral	\$100,418,045	\$ 94,740,193	\$ 1,463,295	\$ 858,058
Andrea Radio.	2,156,576	2,733,058	(2,904)	149,711
Magnavox	77,880,000	87,563,000	4,394,000	4,285,000
Motorola.	172,166,230	159,649,347	4,913,094	5,685,976
Wells-Gardner.	9,643,000	9,307,000	131,000	246,000
Zenith	166,289,000	145,997,000	7,654,000	6,983,000
TOTALS.	\$528,552,485	\$499,989,598	\$18,552,485	\$18,207,745

Here are comparative first halves of 5 multi-product companies:

Arvin Industries.	\$ 46,633,000	\$ 40,108,000	\$ 1,213,000	\$ 1,007,000
GE	2,397,358,000	2,318,836,000	126,120,000	119,977,000
GT&E (Sylvania).	684,475,000	649,338,000	46,286,000	38,387,000
RCA.	877,300,000	853,900,000	29,400,000	24,000,000
Westinghouse.	1,019,546,000	956,971,000	26,589,000	25,514,000
TOTALS.	\$5,025,312,000	\$4,819,153,000	\$229,608,000	\$208,885,000

Here's fiscal performance of 4 additional volume producers:

Muntz TV (9 mo. to May 31). . .	\$ 9,133,199	\$ 8,862,320	\$ 532,521	\$ 783,689
Pacific Mercury (year to March 31) . .	21,875,333	17,414,000	482,740	252,749
Packard Bell (9 mo. to June 30). . .	37,967,000	35,931,000	805,000	(333,000)
Trav-Ler Industries (year to April 30) . . .	22,105,904	25,065,078	248,766	639,499
TOTALS.	\$91,081,436	\$87,272,398	\$2,069,027	\$1,342,937

QUALITY STABILIZATION—ANOTHER GO-ROUND: Amid growing industry belief that some form of Quality Stabilization legislation now is good bet to pass House this year, Senate Commerce Subcommittee is slated to open 3-day hearings today on its S-774 version.

This will be Senate group's 2nd review of pros & cons this year (Vol. 3:23 p8), and interest is such that there won't be time to hear all who want to be heard. Among applicants who drew blanks were 2 members of anti-QS National Assn. of Mass Merchandisers, which had been represented at earlier hearings.

There's increasing belief that discount industry, which stands to lose much under QS regulations, allowed opponents to steal march in House. With HR-3669 now through Commerce Committee and awaiting action by Rules Committee to move onto floor, discounters are shedding apathy & sharpening battle tactics for "last stand" fight in Senate.

"Many people in the low-margin retailing field are now, for the first time, beginning to understand what QS is and what it means to them," we were told last week by NAMM Exec. Secy. Roger Courtland. "They're just beginning to realize that QS could put a lot of them out of business."

He explained discount industry's general apathy: "The people in this mushrooming discount industry have been so busy with business, expansion and opening new stores that many of them haven't even had time to read the newspapers. Until recently, many didn't know how the bill would affect them. However, as soon as they understand that QS is price-fixing in disguise & has nothing to do with quality, they understand the threat to their business."

Concurrence came from industry trade paper "Discount Store News," which emphasized editorially in Aug. 12 issue: "We would like to goad or shame into action a discount industry which apparently has done little to protest & even knows less about a bill (HR-3669) which would amount to Federal Fair Trade Law & could seriously hamper the pricing techniques of a discount industry based on pricing technique. For the fight let's give cards, spades & the House to pro-QS lobbyists & concentrate on the Senate which has not yet blessed this latest price-fix gambit."

TV-RADIO PRODUCTION: EIA statistics for week ended Aug. 9 (32nd week of 1963):

	Aug. 3-9	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV...	127,726	106,449	129,822	4,093,306	3,867,331
Total radio	272,083	211,185	270,081	10,074,973	10,827,494
Auto radio.....	109,013	63,177	131,299	4,279,269	3,826,909

TOPICS & TRENDS

Service industry, "presently accounting for more than \$5 billion in gross sales," will get tremendous hypo from color TV, RCA Sales Corp. Pres. Raymond W. Saxon told Texas Electronics Assn.'s 11th Annual Clinic & Fair. "The opportunities for dealers who emphasize service in selling color TV is particularly promising because today's consumer will not buy a color set like a box of cereal off the shelf of the supermarket," he said, "though some consumers may be buying portable sets like this today." He noted that independent servicemen now handle more than 94% of service business on RCA TV sets.

Electronic Components Conference of 1964, sponsored by EIA & IEEE, with American Society for Quality Control participating, convenes in Washington, D. C. May 5-7, seeks papers for presentation in these areas: Resistors, capacitors, connectors, printed wiring, materials for components, thin film devices, microminiaturization, conductors & cables, reliability & testing techniques. Three copies of 500 word abstract should be sent by Nov. 1 to technical program chairman, Dr. John J. Bohrer, International Resistance Co., 401 N. Broad St., Phila. 8, Pa.

Motorola now foresees 1963 color sales of 600,000-700,000 units, up from previous estimate of 600,000 maximum. Consumer Products Pres. Edward R. Taylor believes lower prices & Motorola's entry in field & introduction of 23-in. sets will produce the additional sales. Forecast for b&w sets: 6.5-7 million.

J. C. Penney will soon add color TVs in most of the 74 of its 1,684 stores now selling private-label b&w sets. Initial color models will be 21-in. consoles made by Wells-Gardner for Penney's Penncrest label. Some Penney stores are expected to have color sets before month's end.

Litton Industries is forming a division to make & market microwave cooking & heating ovens for commercial use, anticipates "a multi-million-dollar investment in the field over the next few years." Litton currently is a supplier of components for microwave ovens.

Trade Personals

Lawrence Levy elected Raytheon corporate development vp, a new post.

Robert E. Kirby elected Westinghouse engineering vp, succeeded by **James M. Beggs** as Electronics Div. gen. mgr.

W. Stratton Anderson Jr., former State Dept. foreign service officer, named vp of GT&E International and GT&E Service Corp.

James J. Egan appointed TV products mgr., Westinghouse TV-Radio Div. mktg. dept., a new post. Other new posts in department reorganization: **Herc Paxinos**, radio & intercommunication products mgr.; **S. Silverman**, replay products mgr. (stereo, phonographs, tape recorders); **Dominick F. Sementa**, selective distribution sales mgr.; **A. D. Burke**, multiple distribution sales mgr.

William A. Ray, founder of General Controls, and **George K. Bryant**, long-time RCA, elected chmn. & pres., respectively, of ITT General Controls.

Howard J. Corey elected Oxford Electric pres. & chief exec. officer, succeeding **J. B. Ceader**, who continues as chmn. . . **Arthur T. Cestaro** appointed General Electronic Labs broadcast products mgr.

Everett W. Woerter, formerly American Machine & Foundry, appointed EIA staff engineer for Parts Div., succeeding **J. Howard Schumacher**.

Wayne B. Swift appointed vp & northeastern regional dir. of C-E-I-R's Boston center.

Louis H. Backe III, ex-RCA, named southeastern regional mgr., ITT Distributor Products Div. . . **Charles E. Shaw Jr.** appointed Philco Consumer Products Div. industrial relations mgr., a new post.

W. F. Wansbrough, Canadian GE vp, will be keynote speaker at Aug. 23 CNE's press, radio & TV directors luncheon.

G. Willard King appointed asst. PR dir., Illinois Institute of Technology; **Gunther Marx** named to similar post at IIT Research Institute.

Obituary

Louis Abrams, 68, co-founder & a dir. of Emerson Radio & Phonograph, died Aug. 15 in New York's Doctors Hospital after a long illness. He had been in the phonograph industry since 1915, co-founded Emerson in 1922 with brothers Benjamin (now Emerson pres.) & Max (secy.-treas.). Abrams' most recent corporate post was pres. of subsidiary Plastimold Corp. Illness forced his retirement from active corporate participation several months ago. He is survived by widow & son.

DISTRIBUTOR NOTES: Philco establishes factory branch to succeed **Medaris Co.** as distributor in Dallas & Lubbock, Texas. PDI-Dallas will operate from offices at 1202 Dragon St., Dallas, and 23rd & C Sts., Lubbock. **Ed Rogers** is branch mgr. . . **Westinghouse Appliance Sales** appoints **Richard Affel** TV & stereo product sales mgr. for New York & parts of New Jersey & Connecticut, succeeding **Max Zagoren**, resigned to open manufacturers rep office in New York. . . **George H. Wilkins** resigns as Magnavox's metropolitan New York zone mgr., succeeded by **Phillip Weil**.

RCA DROPS COLOR PRICE: Adding impetus to downward trend of color TV pricing, RCA this week put lowest base on its color line in 7 years by adding 21-in., black metal table model at \$449.95—as we forecast last May (Vol. 3:20 p8). This "lowest ever" set supplants \$495 models which had been RCA price starters since 1956.

"Color sales growth will be stimulated even further this fall with the introduction of this lower priced set," announced RCA Sales Corp. Pres. Raymond W. Saxon. He also forecast "record RCA TV sales rate" this year with "well over one million sets produced and sold." Color will account for greater proportion of this total than last year, but RCA b&w sales "are headed for their best showing since 1957."

Also added by RCA: Lowboy hardboard color console at \$549.95, b&w 23-in. lowboy at \$228.88 and 2 top-of-the-line 100-watt stereo consoles at \$795 & \$695.

CBS'S RECORD PACE: CBS sales & earnings rose to record levels in both first half & June quarter (see financial table). First-half earnings rose sharply to \$19.4 million from \$14.6 million on sales gain to \$273.3 million from \$253.1 million.

TV Network & TV Stations Divs. contributed to upbeat performance with sales markedly ahead of year earlier, Chmn. William S. Paley & Pres. Frank Stanton noted in stockholder report, adding: Ad revenues of TV industry in first quarter were "approximately 10% above" same 1962 period, and rate of growth of TV revenues, once expected to level off, continues to increase. Current pace "even exceeds the rapid rate of growth during the 1957-59 period." Paley & Stanton also noted that "current year sales & orders for CBS Radio Network," at end of first half, "exceeded by over 1/3 the network's revenues for the full year 1962."

TelePrompter is selling its Cherry Hill, N. J.-based Weathers, Conley Electronics & Audio-Visual Divs. to Defiance Industries in \$1.5-million-plus transaction slated for consummation early next month. TelePrompter Pres. Irving B. Kahn said businesses being sold account for approximately 40% of company's gross revenues but represent less than 10% of total assets. H. J. Schlafly Jr. will resign as engineering vp to become executive head of the Cherry Hill operation under Defiance Industries. He will continue as a TelePrompter dir. TelePrompter will concentrate on expanding its CATV holdings & related closed-circuit TV & meeting production services, anticipates "the highest earnings in our corporate history in 1963," Kahn said.

Zenith dropped in what it describes as "the only TV receiver on the market today that combines portability with the convenience of a remote control that turns set off & on, changes channels to the left & to the right, adjusts volume to any of 3 different levels, and silences sound while the picture stays on the screen." New set is 19-in. "Shorecrest" at \$269.95, including Space Command Remote Control as standard equipment.

Macfadden-Bartell expects 1963 profit to jump to more than \$1 million from 1962's \$162,738. Pres. Lee Bartell said revenues should rise to nearly \$25 million from \$23.2 million. Company's broadcasting stations produced 213% gain in operating profit in first half (Vol. 3:32 p12) to \$294,282 & continue to forge ahead, he said.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Ampex	1963—6 mo. to July 31	\$ 23,413,000	\$ 1,795,000	\$ 933,000	\$0.12	7,827,000
	1962—6 mo. to July 31	21,523,000	1,483,000	878,000	.11	7,799,000
CBS Story on p 9	1963—26 wks. to June 29	273,276,969 ³	40,735,017	19,370,017 ^{3,4}	2.11	9,185,318
	1962—26 wks. to June 30	253,135,149	31,940,720	14,587,720	1.59	9,160,362
	1963—qtr. to June 29	132,063,108 ³	—	9,195,016 ³	1.00	9,185,318
	1962—qtr. to June 29	121,167,754	—	6,513,940	.71	9,160,362
Decca Records	1963—6 mo. to June 30	—	—	2,625,372	1.72	1,527,401
	1962—6 mo. to June 30	—	—	3,313,972	2.17	1,527,401
Walt Disney Productions	1963—9 mo. to June 29	53,709,831	—	4,453,692	2.58	1,725,049
	1962—9 mo. to June 29	49,716,429	—	3,452,223	2.06	1,647,804
	1963—qtr. to June 29	21,467,975	—	1,877,136	1.09	1,725,049
	1962—qtr. to June 29	17,073,148	—	1,027,158	.61	1,647,804
Eitel- McCullough	1963—6 mo. to June 30	—	—	225,000 ¹	.12	1,842,288
	1962—6 mo. to June 30	—	—	262,000	.14	1,842,288
GPE	1963—6 mo. to June 30	105,600,000	—	1,500,000	.78 ⁸	1,643,101
	1962—6 mo. to June 30	107,900,000	—	1,900,000	1.02 ⁸	1,643,101
	1963—qtr. to June 30	57,300,000	—	607,871	.30 ⁸	1,643,101
	1962—qtr. to June 30	59,600,000	—	1,031,089	.56 ⁸	1,643,101
ITT	1963—6 mo. to June 30	582,519,658 ³	—	21,481,372 ³	1.25	16,725,508
	1962—6 mo. to June 30	535,275,694	—	19,000,433	1.11	16,486,872
	1963—qtr. to June 30	301,686,919 ³	—	11,966,965 ³	.70	16,725,508
	1962—qtr. to June 30	283,714,606	—	10,646,107	.62	16,486,872
Litton Industries	1963—year to July 31 ⁵	550,000,000 ³	—	23,300,000 ³	2.29	10,145,217
	1962—year to July 31	393,807,709	—	16,315,952	1.64	10,145,217
MCA	1963—6 mo. to June 30	—	—	7,189,000	1.45	4,538,770
	1962—6 mo. to June 30	—	—	6,631,000	1.38	4,519,603
	1963—qtr. to June 30	—	—	4,031,304	.82	4,538,770
	1962—qtr. to June 30	—	—	2,427,159	.34	4,519,603
Oxford Electric	1963—6 mo. to June 30	5,062,968	—	(52,917)	—	461,989
	1962—6 mo. to June 30	4,746,320	—	54,111	—	436,466
	1963—qtr. to June 30	2,973,168	—	8,757	.02	461,989
	1962—qtr. to June 30	2,482,737	—	31,447	.07	436,466
Paramount Pictures	1963—6 mo. to June 30	—	—	610,000 ⁶	.37 ⁶	—
	1962—6 mo. to June 30	—	—	1,701,000	1.01	—
	1963—qtr. to June 30	—	—	335,000 ⁷	.21 ⁷	—
	1962—qtr. to June 30	—	—	572,000	.34	—
Reeves Industries	1963—6 mo. to June 30	4,066,000	(122,000)	(59,000) ²	—	3,236,775
	1962—6 mo. to June 30	4,023,000	19,000	12,000	—	3,235,515

Notes: ¹Before gain of \$203,000 (11¢ a share) from sale of property. ²After \$63,000 tax credit. ³Record. ⁴Before \$1,499,014 net gain on disposition of certain real estate. ⁵Preliminary. ⁶Before \$1,785,000 (\$1.10 a share) profit on sale of investments. ⁷Before \$1,340,000 (82¢) profit on sale of investments. ⁸After preferred dividends.

Reports & comments: RCA, report, Burnham & Co., 60 Broad St., N. Y. 4... Motorola & AT&T, analyses, Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. 4... Schlumberger (Daystrom), analysis, Gerstley, Sunstein & Co., 121 S. Broad St., Philadelphia 7... Inter-

national Resistance, comments, Sincere & Co., 231 S. LaSalle St., Chicago 4... RCA, review, Coggeshall & Ricks, 111 Broadway, N. Y. 6... Columbia Pictures, review, Paine, Webber, Jackson & Curtis, 25 Broad St. N. Y. 4.

WEEKLY

NAB LIBRARY Television Digest

with

Consumer Electronics . . .

The authoritative service for executives in all branches of the television arts & industries

AUGUST 26, 1963

NEW SERIES VOL. 3, No. 34

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

PRESIDENT'S BUSINESSMAN'S LUNCH with 19 broadcasters is first in series; Kennedy seems surprised at depth of concern about FCC regulatory efforts (p. 1).

NAB FIGHTS CHALLENGES TO LEADERSHIP, says 1964 'National Broadcast Editorial Conference' is duplication. GAB meeting with State Dept. also draws fire (p. 2).

HARRIS STAFF LIKES NAB'S RATINGS PROGRESS, is 'very much encouraged;' parties show each other their recommended standards: NAB expects plan to start before year is out (p. 2).

NCTA POSITION—WORK WITH FCC, says Chmn. Stevenson who rejects those who'd 'rip' Commission. Pres. Dalton resigns, will be consultant (p. 3).

DETAILS OF WEST COAST PAY-TV CABLE DEAL filed with SEC; Donnelley, Lear-Siegler & Tolvision (Matty Fox) to end up with 10% each in \$27 million deal (p. 3).

ACLU QUESTIONS FCC FREE-SPEECH 'EXPERTISE', accuses Commission of 'vague standards' on 'vulgarity' in Appeals Court brief (p. 4).

Consumer Electronics

TRANSISTORS TAKE OVER in uhf tuners, as most tuner makers agree that they'll become competitive with tubes this year (p. 7).

PHONO SALES UP SHARPLY AT MIDYEAR: Distributor volume increases nearly 330,000 units to 1,759,470 phonographs vs. 1,429,687 in Jan.-June 1962; factory sales climbed 327,000 units ahead to 1,894,298 from 1,567,385, EIA reports (p. 8).

COMPONENTS PROFITS DWINDLE IN FIRST HALF: Combined earnings of 24 manufacturers dropped \$5.1 million to \$29.5 million (p. 9).

TUBE SALES LAG AT HALF: Factory sales of both TV picture & receiving tubes trailed year-earlier's unit & dollar volume in both June quarter & first half. Jan.-June TV tube sales drop (p. 10).

PACIFIC MERCURY WILL MERGE into Warwick Electronics if stockholders of both firms & California Corporation Commission approve. Warwick Pres. L. G. Haggerty would be pres. of amalgamated firm (p. 11).

PRESIDENT'S BUSINESSMAN'S LUNCH: President Kennedy & 19 leading broadcasters had very nice lunch Aug. 22, by all reports, in first of series similar to those he has had with publishers & editors. NAB broached idea to White House many months ago, finally achieved fruition—though no one from NAB hq attended, and no one from staff suggested guest list (which, of course, would have been sheer suicide). It's assumed Presidential advisor J. Leonard Reinsch, of Cox Stations, had substantial hand in suggesting names. Date for next lunch hasn't been set, and jockeying for invitations might take place—it's rumored. (For guest list, see p. 5.)

Ground rules of such meetings prohibit quoting President, and sessions are supposed to be off-record, but communicators have tendency to communicate. Broadcasters were forthright in their expression of concern that FCC is going too far in regulation, and President seemed somewhat surprised at degree of their unhappiness.

There was considerable talk about editorializing, and President indicated that his earlier highly pro-editorializing position has been tempered somewhat lately by broadcast views of extreme right wingers, such as "Lifeline" program. Among other things, broadcasters voiced worries about FCC's proposal on commercial ceiling, about grants of too many radio stations, about possibility of too many TVs some day. They also said they'd like a broadcaster on FCC. (Fact is, one was considered before Loevinger appointment.) Kennedy's reaction to foregoing was described as "thoughtful," "interested," "sympathetic," "noncommittal," etc. Take your choice.

There was complete agreement that food was excellent, that atmosphere was cordial, that Kennedy was charming. He had high praise for TV-radio's contributions, and his guests departed feeling well hosted.

NAB FIGHTS CHALLENGES TO LEADERSHIP: NAB finally got fed up with efforts by other groups to usurp its national role, finally said so last week. Up to now, NAB has been irritated but quiet about such things as Ga. Assn. of Bcstrs., "National Broadcast Editorial Conference" in Athens, Ga. (Vol. 3:30 p3). But when GAB came to Washington trying to arrange an international conference in Atlanta, with State Dept. help, and when meeting was held in Washington to plan 1964 Editorial Conference, NAB boiled over.

Editorializing is part of NAB's job, said Vp Howard Bell who was observer at planning session. He said NAB has "no intention of abandoning its national responsibility to any other agency... If state organizations independently expand their programs into national or international fields, a fractionalization of effort is bound to occur."

NAB had participated in Athens conference, billed by GAB as first of kind. Bell noted that NAB held Public Affairs-Editorializing Conference in March 1962. He said such meetings outside NAB duplicate expense, responsibility, effort. NAB may hold 2nd editorializing conference in Feb., in conjunction with annual state assn. presidents' meeting. He said this isn't "anti-state association" stand, that NAB seeks groups' support on many matters. For example, he noted, Govt. Affairs Mgr. Hollis Seavey attended Okla. Bcstrs. Assn. meeting last week, urged members to come to Washington to get their congressional delegation to fight FCC proposal to limit commercials. NAB plans shortly to announce steps to strengthen ties with state groups.

Chmn. of 1963 editorializing conference in Athens, Dick Mendenhall, WSB-TV Atlanta, asserted: "We intend to go ahead and have a conference." Ralph Renick, WTVJ Miami, has been named 1964 chmn. GAB & Fla. Assn. of Bcstrs. have offered conference sites; final decision is due by Jan. 15.

Mendenhall said group wants NAB's cooperation but believes that editorializing is "unique function that doesn't belong to NAB, GAB or anybody else. We are trying to establish a national forum that would travel each year to different parts of the country, allowing all broadcasters to participate."

NAB turned down invitation to attend GAB meeting with State Dept. officials, told State it didn't endorse plan. NAB spokesman said Pres. Collins has been working with White House for more than year, on similar idea, covering program exchanges, frequency allocations, etc.

* * * *

Pres. Collins was rebuffed, meanwhile, by network presidents in his request for discussion of "problems & opportunities" in TV advertising, including "serious threats that we are now facing of unwarranted govt. incursions" and possibilities of "a serious reduction in the attractiveness of the medium for advertising purposes."

Collins had suggested that representatives of agencies & advertisers be included. Network presidents told Collins they're concerned about anti-trust aspects of such a meeting, that they didn't believe non-broadcasters should be included, that Code might be bypassed.

Collins didn't spell out what he's concerned about; he's known to be worried that congressional investigators might blow up small problems into big ones, that advertisers complain more & more about "clutter," that commercial "interruptions" are growing out of hand. He says industry might well forstall trouble on advertising front by acting now, believes that something similar to "ratings mess" may otherwise develop in this area, too.

HARRIS STAFF LIKES NAB RATINGS PROGRESS: Harris Subcommittee staff came away from 2 meetings with NAB rating reformers last week, "very much encouraged" over results to date. Chief counsel Charles Howze said "satisfactory progress" has been made, that in some things "NAB has moved faster than expected."

Meetings were called to review NAB's Rating Council efforts to establish an audit of ratings firms, to set minimum research standards, to work toward methods improvement. A written report will be sent to Subcommittee this week. Subcommittee also wanted to be reassured that Rating Council was acting for entire industry.

Now that Nielsen has applied for accreditation (Vol. 3:33 p2), all major raters have given OKs. Conlan ratings firm—raked over coals at hearings for inability to show field work had been done—hasn't yet applied for accreditation.

Harris staff and NAB exchanged looks at each other's recommended standards. Howze showed

recommendations staff will give Subcommittee for published report. NAB revealed its proposed standards developed by Melvin Goldberg, research vp, to apply to all research services regardless of method.

There was substantial agreement on most points. In fact, many staff recommendations were similar to NAB's standards. These included, among others, supervision & training of field personnel, tabulators, editors, plus clear & prominent statements in ratings report on sample size & procedures used in collection & tabulation of data.

There was only one substantial point of disagreement. NAB doesn't like staff's recommendation that ratings be reported in ranges rather than in single estimates. Staff believes this would place ratings in proper role as "estimates." But NAB believes industry would still be left with same old problem of over-promotion, stations using high point range in selling (Vol. 3:31 p3).

NAB also said that Rating Council would be operational before year is out. It's holding to schedule of sending individual questionnaires to rating firms by end of Aug.; these would be returned in about 3 weeks. There's meeting of Council Sept. 9 to review bylaws & articles of incorporation for Rating Council Inc. It will also give final approval to standards.

Aug. 19 meeting was attended by: Howze and staff attorney Robert Richardson; for NAB, Howard Bell, planning & development vp, Goldberg & Hollis Seavey, govt. relations mgr. Group W's Don McGannon, NAB research committee chmn., met with Howze Aug. 22. Richardson left Subcommittee job at mid-week (Vol. 3:33 p3), was to address Oklahoma Bcstrs. Assn. at week's end.

NCTA POSITION—WORK WITH FCC: 'We ain't fightin' nobody.' That's comment of NCTA Chmn. Fred Stevenson after reading our report (Vol. 3:33 p3) that one faction within NCTA would like to blast FCC because of its staff's recommendations for tough legislation. "As before," Stevenson told us, "we are eager to work with the Commission to come up with legislation to solve our problems. The attitude of some people, which you reported, certainly does not represent the view of NCTA."

Resignation of NCTA Pres. William Dalton Oct. 1 was announced, meanwhile. He'll continue as a consultant, presumably for the 15-16 months remaining in his contract. Job paid \$50,000 annually. In addition, he'll be free to take on assignments in other fields, including hotel management.

No successor is in sight, and NCTA board is in no hurry to pick one. Many names will be mentioned promptly, but none is being considered seriously. Some NCTA forces are pushing for choice of man with CATV system operating experience and with capacity for Washington representation.

There seemed to be little progress, meanwhile, by Leon Papernow, exec. vp of H & B Communications Corp., to organize special group of major CATV operators to pursue own goals outside NCTA. One of largest operators, H & B quit NCTA earlier in year. But Papernow wrote Stevenson, assuring him that he envisioned no "rump" association fighting NCTA. Rather, he said, an association can't always achieve all objectives of all members who must sometimes act independently. But big RKO General, which has bought substantial chunk of H & B stock, remains NCTA member.

DETAILS OF WEST COAST PAY-TV CABLE DEAL: Pay-TV has had so many false, tentative & inconclusive starts that industry remains skeptical of even so well-backed a proposed venture as the West Coast deal just disclosed (Vol. 3:33 p2).

Reuben H. Donnelley Corp. and Lear-Siegler Inc. are no corporate weaklings, while Los Angeles Dodgers & San Francisco Giants are not unknown. Promoter Matty Fox is a bit different, having produced little but noise about pay TV heretofore. But he appears to have bounced back and put together quite a group.

New Subscription TV Inc. filed SEC registration statement (File 2-21653) last week, disclosing following details: 2,255,000 shares registered, 1,900,000 to be offered public at \$12 each through Wm. R. Staats & Co., 640 S. Spring St., Los Angeles. Six parties have committed themselves to buy 300,000 shares at \$12, while Dodgers & Giants have subscribed for remaining 55,000 at \$12.

Currently, company has 1,328,972 shares outstanding—46.8% owned by Tolvision of America Inc. (77% held by Matty Fox), 11.3% by Donnelley, 11.3% by Lear-Siegler. Other stockholders include Dodgers 5.3%, Giants 4.1%. After sale of new offering, Donnelley, Lear-Siegler & Tolvision will hold 10% each. Temporary pres.-treas. is attorney Donald A. Petrie; Robert F. MacLeod, ex-"Seventeen" publisher, is vp & asst.-treas.-asst. secy.

Statement says that minimum of 20,000 homes each are to be linked by cable in San Francisco & Los Angeles by start of system July 1964 Two telephone companies have agreed to make engineering studies of cable-stringing job, but no contracts for job have been signed. Giants are to get 20% of gross receipts up to \$1.5 million, 33 1/3% thereafter, for its home games; Dodgers would get \$200,000 initially, then 33 1/3% of receipts. Deals are for 5 years.

Showman Sol Hurok also has been signed—to 5-year \$10,000-a-month contract plus 0.5% of receipts on shows he supplies.

Price to subscribers: \$10 installation, \$4 monthly, plus \$1-\$1.50 for most games and shows. Counsel for Subscription TV Inc. is Hughes, Hubbard, Blair & Reed, One Wall St., N. Y.

Statement also reports law suit against firm by Standard Kollsman which claims company is bound by 1958 contract under which Standard was to supply 100,000 "program selectors." Lear-Siegler is supposed to make them now.

On another pay-TV front, Home Entertainment Co. of America (Oliver Unger, chmn.), 19th & Broadway, Santa Monica, Cal., reported plans to start pay-TV cable system in Houston by mid-1964—tying up with Houston businessman C. J. Tacconelly. Company said it's also studying Dallas, Ft. Worth, Austin.

ACLU QUESTIONS FCC FREE-SPEECH 'EXPERTISE': Unique "smut" case—FCC's license denial of radio WDKD Kingtree, S. C. year ago (Vol. 2:31 p3)—may be on way to becoming a classic in tortuous history of "obscenity."

FCC had denied license because it concluded that DJ Charlie Walker had broadcast material "coarse, vulgar, suggestive, and susceptible of indecent, double meaning." It also held that licensee E. G. Robinson was guilty of "misrepresentation" to Commission.

WDKD challenged decision in Court of Appeals, and last week American Civil Liberties Union filed amicus curiae brief on behalf of station. It picked interesting counsel for the job—Harry Plotkin. As FCC asst. gen. counsel over decade ago, Plotkin probably would have been just as rough on station as Commission is now. But, he says, "I think I've learned a little since then." He left FCC for private practice in 1951.

Position expressed in brief is this: FCC has come up with "vague standards." (1) "Vague standards are not fair to the licensee who must conform his conduct to govt. directives." (2) "Vague standards have a stultifying effect that goes beyond the individual licensee." (3) "Adequately stated standards are necessary if effective judicial review is to be maintained." Here's guts of brief:

"The statute authorizes the Commission to proceed with respect to 'obscene' programs, but the Commission has chosen not to do so. While ACLU recognizes that the test of obscenity is itself most difficult of application, nevertheless the fact remains that there have been several hundred years of judicial history interpreting the word and many learned articles have been written on the subject. With respect to the standard utilized by the Commission there is no judicial history to aid us. Nor does the Commission in its opinion furnish any narrowing or limiting scope. . .

"The Commission has frequently criticized broadcasting as a 'vast wasteland.' This criticism is not predicated upon any daring excursion by licensees into new fields. On the contrary the criticism has been of sameness, safe programs, timidity of approach. Yet the same agency that criticizes broadcasting on this score is one that in the next breath cautions licensees that they must not put on any programs that are judged patently offensive by . . . the housewife, the teen-ager, the young child."

As for "misrepresentation" issue, ACLU argues that: (1) "Even though the Commission has indicated that it would have denied a renewal on misrepresentation alone had not the vulgarity issue been present, the intensity of its views on vulgarity is so strong that ACLU believes that some Commissioners might have voted a different way if they knew they could not have relied on the vulgarity issue for denial of license." (2) FCC refused initially to give station copies of tapes it considered "vulgar"—"a procedure which almost smacks of entrapment."

Another brisk comment: "While the courts are required to show deference to the findings and rulings of the Commission in the area of its expertise, ACLU submits that in the area of free speech the Commission has no specialized expertise."

UPCOMING STATIONS: WHY-12-TV (Ch. 12 ETV) Wilmington, Del. is keeping to Sept. 12 programming target, writes Gen. Mgr. Richard S. Burdick. GE transmitter is to be ready Aug. 26, Stainless 864-ft. tower Aug. 28.

WNTV (Ch. 29 ETV) Greenville, S. C. hopes to be on air Sept. 15, reports Chief Engineer Charles S. Morris. Renovation of building for TV is well under way but delivery of GE transmitter has been delayed pending approval of HEW grant. Its 146-ft. tower was built by Greenville Iron & Steel Co. Morris has no target at present for S.C. Educational TV Commission's other CP, WITV (Ch. 7) Charleston, which will use existing 162-ft. Stainless tower.

WHNT-TV (Ch. 19) Huntsville, Ala. has 25-kw RCA transmitter on hand, expects to begin Oct. 1 as CBS affiliate, says John Godbold, secy.-treas. It has 254-ft. used Blaw-Knox tower, will have RCA antenna. Charles Grishan, ex-WAPI-TV Birmingham, will be gen. mgr. Rep: Venard, Torbet & McConnell.

WGHP-TV (Ch. 8) High Point, N. C. expects to meet Oct. 1 target for start with ABC, writes Pres. & Gen. Mgr. James W. Coan. Construction of studios & transmitter house has been completed. RCA 25-kw transmitter is on hand, and 1255-ft. Kline tower is 20% completed. Storer will be rep.

Guests of President Kennedy at White House luncheon for broadcasters (see p. 1): Gene Autry, Roger W. Clipp, John H. DeWitt Jr., Herbert E. Evans, John E. Fetzer, John W. Kluge, Norman Knight, Clair R. McCollough, Donald McGannon, C. Wrede Petersmeyer, Ward L. Quaal, William B. Quarton, J. Leonard Reinsch, Lawrence H. Rogers II, Edgar B. Stern Jr., George B. Storer Sr., Harold C. Stuart, E. R. Vadeboncoeur, Mitchell Wolfson.

Conservative Party of N. Y. State has reversed its position on equal time. It now favors suspension of Sec. 315 of Communications Act for all elections in 1963 & 1964, though it testified year ago against suspension for 1962 elections. Party's experience during last year's campaigns showed broadcasters were "fair" in their treatment of minority parties, wrote Charles E. Rice, vice chmn., to Senate Commerce Subcommittee. More so than newspapers, he said. He agreed with industry that equal-time law makes broadcasters "over-cautious," resulting in less time available for politicalcasts.

Fuller disclosure of regulatory agency rules & decisions would be required by HR-8046, introduced by Rep. Fascell (D-Fla.). Measure underscores growing congressional concern over regulatory agency power (Vol. 3:32 p2). It provides that all regulations be printed in "Federal Register" before they're effective, that voting of agency members be available for inspection.

TV's first 3-hour news special, on civil rights, will be presented by NBC-TV Sept. 2, 7:30-10:30 p. m. It will deal with history of problem, present all sides of issues, cover international reaction and England's handling similar problem.

A. C. Nielsen Co. and "Esquire" magazine have formed Neodata Services Inc., Boulder, Colo., for subscription fulfillment through electronic data processing. Facilities were formerly owned by "Esquire," serviced about 20 magazine clients.

Series of restrictions on networks is again proposed by FCC's Office of Network Study in 75-page memo for Sept. 18 Commission agenda. It's much same as proposal submitted about year ago (Vol. 2:50 p2), suggesting rule prohibiting networks from program syndication and from ownership of more than 50% of prime-time entertainment programs. When first submitted, we suggested that some proposals might have a bit more chance with more New Frontier commissioners. We think that still holds, and there are more such commissioners.

"Biggest thing since the Hiss program," according to one FCC staff member, is reaction to FCC's statement on "fairness doctrine" (Vol. 3:30 p3). Rising number of vitriolic letters, primarily from extreme right wing, accuse Commission of saying broadcasters must give free time to communists, that FCC is "anti-religious," "anti-American," "against states' rights," wants "govt. control of stations," etc. Flow of mail jumped sharply after test ban treaty was negotiated.

FCC's official TV financial report for 1962 is expected in Sept., according to H. H. Goldin, Broadcast Bureau asst. chief. He said there's every indication that NAB's figures, showing excellent improvement over 1961 (Vol. 3:28 p4), will be substantiated. AM-FM report is expected at year's end. New reporting form (No. 324) requires tabulation of payments to owners & their "close" relatives, will give more accurate picture of performance, according to Goldin.

HEW has received 7 new applications for ETV construction grants, making total of 24, for \$3,971,692: School District of Kansas City, \$102,000 to expand Ch. 19; Florida Central East Coast ETV Inc., \$232,179 to activate Orlando Ch. 24; Bowling Green State U., \$96, - 898 to activate Ch. 70; Oregon State Board of Higher Education, \$208,258 to expand Corvallis Ch. 7, also \$106,292 to expand Portland Ch. 10; U. of South Dakota, \$14,351 to improve Vermillion Ch. 2; Board of Education of Ogden, Utah, \$56,296, to improve Ch. 9.

North Carolina ETV bill, passed by Assembly, gives U. of North Carolina (Ch. 4 WUNC) \$1,250,000 for construction of additional ETV transmitters & microwave links, plus \$250,000 for operation 1963-1965. Studios are at Chapel Hill; N. C. State College, Raleigh; Woman's College, Greensboro.

TV Cable of Austin Inc. reports 100 miles of CATV cable strung, plans Sept. start of service in the Tex. city. Pres. John Campbell has named as gen. mgr., W. R. Lastinger, recently mgr. of Carlsbad, N.M. system.

Pay-TV would be boon to uhf, according to Teleglobe system developer Sol Sagall. Writing in "Telefilm" magazine, he also urges that FCC change its rules to allow test of each pay-TV system in more than one market.

Time Inc. made grant to ETV WNDT N. Y. for live coverage of 2-week opening sessions of U.N. General Assembly.

Five-station ETV network in Pennsylvania has moved step closer. Bill providing \$970,000 for project was signed by Gov. Scranton.

TV Affiliates Corp. will hold West Coast programming conference Aug. 26-27 in San Francisco, for exchange of ideas among subscriber program dirs.

Personals

Elmer W. Lower, ex-NBC News vp & gen. mgr., appointed ABC pres. of news, special events & public affairs, succeeding James Hagerty who shifted to corporate relations vp for parent AB-PT.

NBC Chmn. Sarnoff addresses Boy Scouts of America National Training Conference Aug. 29-Sept. 4 at U. of Ill.

Peter Reinheimer, ex-ABC-TV eastern sales mgr., appointed Screen Gems national sales mgr. . . **Dean Behrend**, NBC-TV client presentations admin., sales planning dept., promoted to sales proposals mgr., succeeding **Ronald J. Pollock**, resigned.

John R. Haggan promoted to gen. supervisor of public affairs, CBC, succeeding **Bernard Trotter**, named exec. asst. to Queen's U. principal.

Ben Strouse, radio WWDC Washington pres., named area chmn., Radio Free Europe Fund. . . **Marvin L. Shapiro**, eastern sales mgr., rep TvAR, elected vp.

Robert Edmonds, business rep, Screen Directors International Guild, promoted to exec. secy. . . **Donn E. Winther**, ex-WBZ-TV Boston asst. sales mgr., appointed advertising & promotion mgr., radio WABC N. Y.

Wells Bruen, ex-Official Films, named sales mgr., rep Roger O'Connor's new Dallas office in Reliance Life Bldg. (phone: 214-748-0437).

Leo Derrick appointed promotion & public relations dir., WGHP-TV Greensboro-High Point; **Nat Tucker**, ex-Jefferson Standard, named program & production mgr. . . **Robert A. Dettman**, chief engineer, & **John Grandy**, sales mgr., elected KDAL-TV Duluth vp's.

Marshall Keeling promoted to TV sales mgr., **John Murphy** to radio sales mgr. in Chicago office of Adertising Time Sales. . . **Nord Whited** promoted to KTTV Los Angeles program dir.

Law firms of Steadman & Leonard and Hennessey & McDonald, plus Howard J. Schellenberg Jr., form Steadman, Leonard & Hennessey, 1730 K St. NW, Washington 6 (phone 333-8000). Partners are: Charles W. Steadman, Philip J. Hennessey Jr., George Stephen Leonard & Schellenberg. Also associated: Joseph D. Murphy & Philip J. Hennessey III.

First RCA's TFR-1 unit for recording 16mm film from picture tube, with "consistently higher results than are possible with current kinescope equipment," was sent to Japan's NHK network, which has ordered 6. They'll be used for 1964 Olympic coverage. First delivery in U. S. will be to Cathedral of Tomorrow, Akron church.

Possible precursor of live TV interchanges between Alaska and rest of continental U. S. is newly opened microwave link connecting Vancouver, Canada with Annette Island, Alaska. Two large hops—of 154 & 190 miles—are made by use of tropospheric scatter. Built by 2 GT&E subsidiaries, \$5-million system will provide 240 telephone channels, is not equipped for TV.

CBS-TV orders 264 monitors from Conrac, for new building now under construction.

Television Digest

PUBLISHED BY TELEVISION DIGEST, INC.

HEADQUARTERS: 2025 Eye St., N.W., Washington, D.C. 20006

Phone: 965-1985. TWX: 202-965-0979

EDITORIAL

ALBERT WARREN,
Editor & Publisher

JONAH GITLITZ,
Managing Editor,
Television Digest

PAUL STONE,
Editorial Director,
Television Factbook

BUSINESS

EDWARD M. KELLY,
General Manager
RUDOLPH SAPPER,
Circulation Manager

NEW YORK OFFICE

580 Fifth Ave.
New York 36, N. Y.
Circle 6-2215
TWX: 212-640-6938

DAVID LACHENBRUCH,
Editorial Director

PHILADELPHIA OFFICE

111 Beverly Rd.
Overbrook Hills
Philadelphia 51, Pa.
Midway 2-6411

HAROLD RUSTEN,
Associate Editor

Membership increase of 10% in past 6 months, capped by signing of 3 Hearst radio stations, announced by RAB Pres. Ed Bunker at Oklahoma Bcstrs. Assn. meeting. He attributed jump to support for bureau's proposed methodology study. "The industry has been voting with its dollars for better radio research," he said. Progress on compilation of dollar figures spent in radio by advertisers, in cooperation with Station Representatives Assn., was also reported by Bunker. He said pilot project in N. Y. has received 100% cooperation from stations in reporting billing figures.

June network TV billings jumped 5.1% over last year, from \$63,722,400 to \$67,003,000, TvB reports. Billings for Jan.-June were up 6%, from \$387,772,600 to \$411,165,900. Daytime billings for first 6 months increased 14%, from \$120,780,300 to \$137,738,500. Jan.-June volume for each network: ABC-TV, \$109,175,100, up 8.4% from \$100,690,300; CBS-TV, \$157,909,100, up 5.7% from \$149,443,600; NBC-TV, \$144,081,700, up 4.7% from \$137,638,700.

Prediction that 1963 ad volume will reach \$12.967 billion, 5% above last year's \$12.380 billion, is made by "Printers' Ink". It sees spot & network TV combined climbing 11% to \$1.735 billion from \$1.567 billion. Spot & network radio, magazine says, will increase 3% to \$269 million from \$261.4 million.

Franchise for new medium—ads on back of all Chicago Transit Authority transfers—has been granted WGN. Base rate is \$600 a day with cost-per-thousand estimated between 40 & 78 cents. New Chicago Transfer Advertising will be co-managed by Charles E. Gates, radio WGN station mgr., & Ben H. Berentson, WGN-TV station mgr.

One of most elaborate single-station promotions for fall schedule was that of CKLW-TV Detroit-Windsor last week, drawing some 1,100 agency men, et al., and including 4-hour boat ride.

Brazil's Televisao Excelsior orders Marconi 3-in. image orthicon color channel & two 21-in. color monitors. Manufacturer says it's first color channel it has sold outside UK; equipment is modified for U. S. color standards.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TRANSISTORS TAKE OVER IN UHF TUNERS: Most TV sets sold after mid-1964 will be transistorized—at least to extent of their uhf tuners. But if uhf tuner manufacturers are happy over prospect of transistors which are competitive with tubes, they're somewhat disturbed over present state of their business. With one exception, no set manufacturer has jumped gun on all-channel law, and—though all-channel set production is increasing—so far it's below expectations of many in industry.

By next May, everything will be all-channel, of course. And tuner makers are ready for the rush. Most of them—including F. W. Sickles Div. of General Instrument, Standard Kollsman & Oak Mfg., as well as GE (which makes its own tuners)—will cast in their lot with transistor oscillator, as opposed to tube-type.

As they summarize them, transistor's advantages are these: (1) Compactness. (2) Low power, consequently no UL problems. (3) Reliability; even though uhf oscillator tubes are now extremely reliable, there's still stigma associated with tubes because of track record in uhf's early days. (4) Less drift. (5) Far lower oscillator radiation; transistors can meet FCC's limit of 500 microvolts (now temporarily suspended, but scheduled to be re-imposed Jan. 1).

Sparking shift to transistor is promise of price decreases to point where semiconductor is competitive with tube for uhf oscillator. Transistor being used now is Fairchild silicon unit, but both Motorola & Texas Instruments, possibly others, are expected to get into act with competitive silicon transistors for uhf oscillator use.

All tuner makers are working on mechanical aids to make uhf tuning as simple as vhf. Although pushbutton system seems to be favored currently, 3 major tuner manufacturers agree that there will probably be little demand for this type of unit—perhaps too little to build it at all—through 1964.

F. W. Sickles Vp-Gen. Mgr. Edgar Messing summed up reasons when he said set manufacturers "want to meet the requirements of the law first, without making it too hard to sell sets" because of extra cost involved in pushbutton or other easy-tune devices.

Some simplification has already been accomplished in regular continuous uhf tuning. Most tuners now have 2-speed drive—fast for locating station, slow for fine tuning.

All-channel tuning will add about \$20 to retail price of set, no matter how it's disguised, at least through 1964. That seems to be unanimous opinion of set & tuner manufacturers. There have already been some price reductions on uhf tuners—and more will probably come with stepped-up production—but not enough to cut retail differential substantially. Current tuner prices run from slightly above \$6 for direct-drive units to above \$7-8 for some 2-speed tuners. Then there's added cost to set manufacturer of brackets, antenna terminals, etc.

Another factor which may increase price differential further, in opinion of some TV set makers, is FCC's recent decision to permit uhf stations to use aural power as low as 10% of visual power—instead of 50% heretofore required. Some manufacturers argue ruling puts more burden on receiver maker for increased sensitivity of sound channel, thereby increasing costs. Commission recently turned down petitions by Zenith & Warwick for reconsideration of ruling (Vol. 3:31 p10).

What is the proportion of uhf tuners to TV sets in current market? EIA figures don't tell entire story, since many uhf tuners aren't installed in factory, but shipped to distributors or dealers in form of conversion kits to change sets in inventory from vhf to all-channel. Sickles' Edgar Messing estimates uhf tuners now constitute about 25-30% of set production. Oak tuner Product Mgr. Paul A. Wheaton concurs with this estimate, but Standard Kollsman Engineering Vp Fred Edwards thinks this figure somewhat high,

Although business is picking up, it's slower than expected—and tuner makers are ready for big rush any time it develops. However, they're beginning to despair of that rush developing very long

before the law requires. So far only major TV brand anticipating new law by going all-channel throughout most of its line is Sears' Silvertone (Vol. 3:26 p7). Today's price market now appears to preclude this type of action by majority of industry.

Set makers are watching competitors closely, however. Standard Kollsman's Fred Edwards described current atmosphere: "Everybody's afraid somebody will jump the gun with a big advertising splurge. Nobody wants to do it. Yet everybody's preparing to change over to all-channel at a moment's notice, but they won't do it until they're required to—either by competition or by law."

PHONO SALES UP SHARPLY AT MIDYEAR: Distributor-to-dealer & factory sales of phonographs got strong June shot-in-the-arm and widened appreciably the cumulative lead over 1962's Jan.-June sales pace. EIA official figures show distributor phono sales in June jumped more than 40,500 units ahead of June 1962, pushed year-to-date volume nearly 330,000 units ahead. Factory sales rose more than 71,600 units in June, and total half-year volume closed out with approximate 327,000 lead over year earlier.

First-half distributor sales totaled 1,759,470 phonographs—comfortably ahead of 1,429,687 in 1962's first half. Portables & table models closed midyear outselling consoles by nearly 2-to-1, and both categories were markedly ahead of year earlier. Portable-table category, however, showed greater gain—to 1,122,725 units from 888,408, compared with consoles' improvement to 636,745 from 541,279.

June distributor sales rose to 315,043 from June-1962's 274,526. Portables-tables a year ago outsold consoles by nearly 3-to-1: 203,670 vs. 70,856. This June, consoles narrowed edge to slightly more than 2-to-1: 215,036 vs. 100,007. June's 215,036 portables & tables scored 1963's monthly high for that category. June console sales were only 4th best of 6 months.

Here are EIA's official first-half distributor-to-dealer sales:

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	204,073	112,452	316,525	115,998	103,730	219,728
February	192,858	137,114	329,792	130,104	109,316	239,420
March	211,745	134,407	346,152	173,056	126,201	299,257
April	169,478	77,252	246,730	129,175	72,017	201,192
May	129,535	75,513	205,208	136,405	59,159	195,564
June	<u>215,036</u>	<u>100,007</u>	<u>315,043</u>	<u>203,670</u>	<u>70,856</u>	<u>274,526</u>
TOTAL	1,122,725	636,745	1,759,470	888,408	541,279	1,429,687

Factory phono sales at midyear pushed ahead to 1,894,298 units from 1,567,385 a year earlier. Breakdown includes 1,191,326 portables & tables and 702,972 consoles—vs. 935,467 & 631,918 respectively in Jan.-June 1962.

June factory sales totaled 455,199 phonos vs. June-1962's 383,537. June was portable-&-table category's top 1963 month by far—with 305,946 units, nearly 100,000 ahead of previous high of 205,955 set in Jan., and more than 58,000 ahead of June-1962's 247,932. Console sales improved to 149,253 from 135,605 in year-ago month, and came within 700 units of equaling 1963's monthly high of 149,923 posted in Feb. Here are EIA's official first-half factory sales:

PHONO FACTORY SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	205,955	135,741	341,696	137,090	122,469	259,559
February	190,352	149,923	340,275	130,495	124,917	255,412
March	200,571	129,142	329,713	166,408	132,075	298,483
April	165,016	76,190	241,206	120,793	62,309	183,102
May	123,486	62,723	186,209	132,749	54,543	187,292
June	<u>305,946</u>	<u>149,253</u>	<u>455,199</u>	<u>247,932</u>	<u>135,605</u>	<u>383,537</u>
TOTAL	1,191,326	702,972	1,894,298	935,467	631,918	1,567,385

COMPONENTS PROFITS DWINDLE IN FIRST HALF: Slow first-quarter start by composite components & tube manufacturers (Vol. 3:28 p8) slowed even further in April-June period and produced less than cheery sales & earnings picture for first half.

Combined Jan. -June sales of 21 companies dropped \$54.7 million to \$1.046 billion from \$1.101 billion a year earlier despite fact that more than half—12 of 21 firms—showed increased sales.

Profit picture was even more downbeat. Earnings of 24 manufacturers dipped aggregate \$5.1 million to \$29.5 million from \$34.6 million in 1962's first half. The 1963 figure is after deducting combined \$513,980 losses of 3 companies—General Bronze (\$165,063), Oxford Electric (\$52,917), Sangamo Electric (\$296,000). Year-earlier figure is after deducting Sangamo's \$494,000 loss.

Although 24 manufacturers were only \$5.1 million off 1962's first-half profit pace, significant factor is number of companies involved in earnings lag. Of 24 companies analyzed, 19 were down in profits from year earlier—and of remaining 5, one, Sangamo, wound up half still in red. It improved position, however, by cutting year-ago loss of \$494,000 to \$296,000. Although some companies report signs of price stabilization & even upswing, it's obvious that imports & fierce domestic competition are still taking toll.

Sales gains were more impressive. Among big jumps: Oak Mfg. —to \$20 million from \$15.8 million. Texas Instruments—\$128.3 million from \$119.7 million. Thompson Ramo Wooldridge—record \$240.1 million from \$231.6 million. P. R. Mallory—\$50.1 million from \$49.1 million. General Bronze—\$8.8 million from \$8.1 million. Sangamo—\$25.9 million from \$24.4 million.

Here's 1963-vs. -1962 first-half performance of representative components & tube manufacturers:

	Sales		Earnings	
	1963	1962	1963	1962
Aerovox	—	—	\$ 64,122	\$ 174,067
Amphenol-Borg	\$ 41,963,661	\$ 43,334,571	1,124,693	1,015,273
Clevite	53,083,801	53,555,494	3,364,092	3,879,108
CTS Corp.	14,587,506	13,673,321	1,090,807	1,034,820
Dynamics Corp. of America. . .	37,659,874	41,825,049	2,010,292	2,100,256
Eitel-McCullough	—	—	225,000	262,000
Erie Resistor	14,466,000	14,301,000	270,000	601,000
General Bronze	8,825,045	8,071,763	(165,063)	13,695
Globe-Union	31,557,456	31,881,107	609,824	1,236,990
Indiana General	—	—	740,370	1,188,052
International Resistance	14,407,872	14,286,212	743,393	1,165,873
Littelfuse	3,137,088	3,354,505	145,594	182,650
P. R. Mallory	50,070,047	49,078,494	1,946,582	2,050,379
Muter	7,910,472	8,109,340	101,084	142,977
National Union Electric	18,560,975	18,478,849	526,411	545,801
Oak Mfg	19,999,283	15,769,956	505,491	620,568
Oxford Electric	5,062,968	4,746,320	(52,917)	54,111
Raytheon	254,825,000	312,759,000	3,659,000	5,336,000
Sangamo Electric	25,869,000	24,379,000	(296,000)	(494,000)
Sonotone	11,064,434	10,527,606	105,412	150,895
Standard Kollsman	36,172,429	46,157,144	280,764	1,420,497
Texas Instruments	128,250,000	119,736,000	5,256,000	4,784,000
Thompson Ramo Wooldridge. . .	240,081,345	231,589,854	7,066,956	6,414,666
Tung-Sol	28,921,715	35,567,514	137,609	713,635
TOTALS	\$1,046,475,971	\$1,101,182,099	\$29,459,514	\$34,593,313

TV-RADIO PRODUCTION: EIA statistics for week ended Aug. 16 (33rd week of 1963):

	Aug. 10-16	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV. . .	150,858	127,726	107,160	4,244,164	3,975,821
Total radio	349,027	272,083	349,425	10,424,000	11,164,777
Auto radio.	140,352	109,013	120,123	4,419,621	3,911,890

TUBE SALES LAG AT HALF: Factory sales of both TV picture & receiving tubes declined in June from year-ago month & closed first half trailing Jan. -June 1962 in both unit & dollar volume, EIA reported last week.

TV picture tube totals for first half showed sales of 4,469,169 units, down some 87,000 from 4,556,143 in 1962's first half. Dollar value dropped even more sharply—by \$3.7 million to \$83.6 million from \$87.3 million. June sales showed unit decline to 707,541 from 740,788, dollar decline to \$13.5 million from \$14.3 million.

Receiving tube sales at end of first half were off year-ago pace by 17.3 million units & \$16.6 million. Unit sales tumbled to 166,187,000 from 183,503,000; dollar value decreased to \$137.7 million from \$154.3 million at close of 1962's first 6 months. June unit sales dropped behind June-1962's 29,649,000 volume to 29,332,000, and dollar value slipped to \$23.8 million from \$24.6 million. Here are EIA's official first-half figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$16,846,046	27,025,000	\$ 22,524,000
February	639,392	11,990,595	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
April	771,073	14,197,385	26,167,000	21,521,000
May	703,393	12,888,058	26,662,000	21,600,000
June	707,541	13,462,906	29,332,000	23,764,000
Jan.-June 1963.	4,469,169	\$83,608,494	166,187,000	\$137,708,000
Jan.-June 1962.	4,556,143	\$87,332,694	183,503,000	\$154,340,000

Pilot Radio has debuted free floor plan for franchised dealers which provides 4-month selling period with no capital investment. During 4-month period, noted Vp-Gen. Mgr. Roland J. Kalb, dealers pay only invoice price for Pilot products sold, without interest or other charges. Two 30-day extensions at low interest rates can be secured if needed. Pilot also introduced new warranty program for its stereo hi-fi consoles & portable stereo phonographs. Deluxe solid-state consoles & portables will carry 2-year parts & one-year service guarantees. All other consoles: one-year parts & 90-day service warranties.

Dominion Electrohome expects to increase U.S. dealerships to 500 in 50 states from present 415 by year's end, according to Howard W. Main, newly appointed pres. of American subsidiary International Electrohome (Vol. 3:30 p11). Electrohome is now producing color TVs for U.S. market, anticipates 1963 sales of 800-1,000 sets, 3,000-4,000 next year.

AT&T was top spender in 1962 for new buildings & remodeling with \$193 million outlay, reported "Architectural Forum" magazine. Subsidiary Western Electric placed 3rd with \$41 million investment, behind 2nd-place General Motors with \$97 million. AT&T this year plans to increase new construction outlay by 22%.

Robert Electronics will test market its new 1-7/8 in.-per-sec. stereo tape recorder in St. Louis, opens "extensive consumer promotion" on Crossfield 770 model Sept. 15.

Bill to license Wisconsin TV technicians was killed in state legislature. Measure provided state board exams for servicemen, proposed standards for brand promotion & advertising repair prices.

1964 TELEVISION FACTBOOK ADVERTISING

The 1964 Edition of **Television Factbook** (#34) is now in preparation and advertising space reservations are being accepted. The **Factbook**, with a circulation sharply increased to 10,000, is used daily by executives in all facets of the TV industry—the people who make the decisions and buy time, equipment, services. Thus it becomes the most effective advertising medium available to those selling to the television industry. The **Factbook**, including its exclusive coverage maps and viewing data, marketing information and directories, will be fully up-dated throughout. Furthermore, it will contain the most comprehensive International Television Directory yet published. To reserve your advertising space in this 1200-page-plus compendium, call, write or wire: **Television Factbook**, 2025 Eye St. N.W., Washington 6, D. C.; Area Code 202-965-1985; TWX: 202-965-0979. Many choice positions are still available. Copy deadline is October 15th.

Philco & management team headed by Pres. Charles E. Beck got Aug. 17 "Business Week" profile which emphasized, in part: "As it matures under Ford's tutelage, the new Philco is turning out to be quite different from the old. For one thing, the management & divisional structure have been considerably altered. The company has dropped out of the commercial computer business & beefed up its defense electronics work. It has shown new aggressiveness in the consumer goods business. Sales, which stood at \$420 million in 1961, slipped in 1962 as Ford took hold. But now, although it is Ford's policy not to disclose figures for its subsidiaries, 42-year-old Beck says: 'Business is up, across the board. Substantially so.'" Magazine notes "one unexpected bonus" of Ford-Philco merger: "Philco now can turn over some of its styling problems to Ford designers. The things they come up with may look more like Thunderbirds than TV sets, but as William Balderston Jr., product planning mgr. for consumer products, puts it, this 'has tremendous advantages in terms of fresh ideas.'"

AID is supplying 10,000 radios to Viet Nam for distribution to village leaders. It's part of govt. plan to strengthen communications to rural organizations. Radios were bought from Maxwell Electronics, Garland, Tex., for \$140,000. Plans call for another 40,000 sets to be sold through commercial sources in Viet Nam. AID last month authorized \$39,300 letter of credit for purchase of 3,852 one-band transistor radio kits from RCA. Viet Nam govt. has 7 stations; radios can't receive communist Radio Hanoi.

Texas Instruments will shortly introduce process tools & test equipment for users of integrated semiconductor circuits. Claiming there's "very little commercially available" of this type of equipment, TI will market carriers to handle & store networks, tools to assemble networks, a circuit board, \$3,000 high-speed electric welder, \$16,500 programmed tester.

Clevite is expanding its semiconductor components activities, has formed in Waltham, Mass. a Semiconductor Div. which embraces former Clevite Transistor operation.

Two new Bureau of Standards publications: "Tabulation of Data on Receiving Tubes" & "Tabulation of Published Data on Soviet Electron Devices."

Trade Personals

Thomas R. Hays named sales mgr. of newly formed RCA Commercial Receiving Tube & Semiconductor Div.

Joseph A. Halmes appointed distributor sales mgr., RCA Electronic Components & Devices. Other appointments in RCA Distributor Products organization; **Joseph J. Kearney**, receiving & picture tube merchandising mgr.; **D. M. (Max) Branigan**, industrial tube & semiconductor merchandising mgr.; **Kenneth B. Shaffer**, distribution control & customer relations mgr.; **R. J. Corbett**, administrative services mgr. **Robert B. Sampson**, mkt. development mgr., also assumes new product planning responsibility.

Milton J. Shapp, Jerrold chmn., awarded annual Distinguished Service Award of Frontiers International, nation's only Negro service club, for "distinguished service in the improvement of inter-racial & inter-group relations"... **Lawrence G. Haggerty**, Warwick Electronics pres., elected a dir. of Jefferson Electric, Bellwood, Ill. electrical products producer.

Gerald J. Werner, Motorola traffic mgr., appointed 1963-64 chmn., EIA Traffic Committee.

John C. Lobb, formerly H. M. Byllesby Co. pres., appointed ITT Industrial-North America group exec., responsible for ITT's Industrial Products Div. & ITT General Controls.

Fred Kremer Jr. named IIT Research Institute business operations vp... **Donald J. Kasun** appointed Westinghouse cryogenic systems dept. engineering mgr.

Dr. Wayne B. Nottingham appointed Electronics Corp. of America research vp... **Frank J. Klernan**, formerly General Precision industrial planning dir., named vp of GPE subsidiary Graflex Inc.

Fenton W. Guild appointed Sylvania operations analysis mgr., succeeding **Richard J. Price**, recently appointed Semiconductor Div. controller. **Eugene F. Guerin** succeeds Guild as Microwave Device Div. controller.

Saul Fast appointed National Co. engineering vp; **Samuel J. Davy** named vp & asst. to pres.

Dimitri R. Stein, ex-Columbia Technical Corp. vp & dir., forms Cable Consultants Corp., 7 Woodland Ave., Larchmont, N. Y.

UK's 1962 electronics exports to U. S. jumped 30% over 1961 to \$29.1 million, reported Business & Defense Services Administration's Electronics Div. Record-playing mechanisms accounted for more than 37% of total value. Mechanisms with record changers increased to 1,172,300 units valued at \$10,861,000 from 1961's 1,120,500 at \$10,780,000. Mechanisms without record changers decreased—to 3,100 at \$25,000 from 11,400 at \$105,000. British radios imported climbed sharply to 6,700 units at \$191,000 from 2,800 at \$81,000. UK exports of electronic phonographs & record players to U. S. were down—to 1,700 at \$37,000 from 1961's 6,800 at \$116,000.

White House-to-Kremlin communications hot line project has awarded equipment contracts to RCA for radio, ITT for cable.

MERGERS & ACQUISITIONS: Warwick Electronics & Pacific Mercury Electronics will merge if shareholders of both companies & Cal. Corp. Commission approve. Warwick would be surviving company, and terms call for Pacific Mercury shareholders to get 1.1 share of Warwick common for each of 498,500 outstanding Class A common shares. Pacific Mercury also has 200,000 Class B shares, owned by Sears Roebuck which also holds major interest in Warwick. Class B shares would be exchanged at rate of one for each 1.065 Warwick shares.

Warwick Pres. Lawrence G. Haggerty is slated to become pres. & chief exec. officer of amalgamated firm. Pacific Mercury Pres. Joe Benaron would be Warwick senior vp, a dir., head of Pacific Mercury Div. & pres. of Pacific Mercury subsidiary Thomas Organ, which would be included in merger. Other merger news last week:

Electronic Communications has purchased for \$1 million 75% of voting stock of **Benson Mfg.**, Kansas City, Mo. metal fabricator. Stock was purchased from Benson family, and Electronic Communications now will tender similar offer to other stockholders for remaining 25% of stock.

Erie Resistor will merge manufacturing operations of its **Frying Electric Products** subsidiary with its **Technical Ceramics Div.**

SECURITIES NOTES: **Sprague Electric** has registered with SEC \$15 million of sinking fund debentures, due 1988, slated for public offering later this month via underwriting group headed by First Boston Corp. & F. S. Moseley & Co. Proceeds will be used to retire existing debt & to increase working capital. . . **Westinghouse** is requesting tenders on maximum \$15 million of its outstanding \$285 million of 3 1/2%, 30-year debentures due 1981. Purchase price will not exceed principal & interest accrued to Oct. 1, 1963. Chemical Bank N. Y. Trust Co. will receive debentures for Westinghouse until close of business Sept. 16. . . **Tektronix**, Beaverton, Ore. maker of cathode ray oscilloscopes, has registered with SEC 540,000 common shares to be underwritten by group headed by Lehman Bros. Certain stockholders are offering 440,000 shares of the issue, Tektronix 100,000 shares. In its 1963 fiscal year ended May 25, Tektronix earned \$5.8 million on \$70.5 million sales.

Reports & comments: **Walt Disney Productions**, discussion, Walston & Co., 120 Broadway, N. Y. 5; comments, Bache & Co., 36 Wall St., N. Y. 5... **A. C. Nielsen**, review, Carl M. Loeb, Rhoades & Co., 42 Wall St., N. Y. 5... **Arvin Industries**, review, J. R. Williston & Beane, 115 Broadway, N. Y. 6... **AT&T**, discussion, Josephthal & Co., 120 Broadway, N. Y. 5... **Motorola**, analysis, Orvis Brothers, 15 Broad St., N. Y. 5.

Nearly 1/3 of consumers who plan TV purchase in next 12 months will buy color set, according to Home Makers Guild of America survey based on 903 respondents. Of this group, 9.3% plan TV buy, and 29.3% will make it color. Zenith leads brand-preference parade with 25.9% vote, followed by RCA, 22.2%, GE, 12.4%, Philco, 11.1%, Motorola, 7.4%. Only 35.4% have portable set in mind, 34.1% will buy console, 22% table, 7.3% combinations, 1.2% tinyvision.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during the last week. Dash indicates the information was not available at press time. Parentheses denote loss.

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Bendix	1963—9 mo. to June 30	\$630,839,645	\$30,582,903	\$14,860,841	\$2.74	5,423,975
	1962—9 mo. to June 30	599,672,486	34,386,418	15,648,962	2.89	5,423,335
	1963—qtr. to June 30	215,381,050	—	5,588,127	1.05	5,423,975
	1962—qtr. to June 30	212,853,040	—	5,321,848	.98	5,423,335
Clarostat Mfg.	1963—6 mo. to June 30	4,290,254	—	(23,810)	—	484,392
	1962—6 mo. to June 30	5,227,046	—	177,763	.40	484,392
Consolidated Electr. Ind.	1963—6 mo. to June 30	84,772,034	—	2,407,113	.76	3,176,908
	1962—6 mo. to June 30	83,150,374	—	2,353,323	.74	3,172,377
Desilu Productions	1963—13 wks. to July 27	4,877,359	—	84,875	.07	1,233,631
	1962—13 wks. to July 27	3,377,845	—	14,305	.01	1,155,940
EICO Electronic Instrument	1963—9 mo. to June 30	6,036,257	—	73,686	.12	607,143
	1962—9 mo. to June 30	6,853,416	—	210,824	.35	607,143
Esquire Radio & Electronics	1963—6 mo. to June 30	1,825,987	—	29,116	.07	417,650
	1962—6 mo. to June 30	1,800,533	—	28,038	.07	417,650
Hawley Products	1963—6 mo. to June 30	3,926,680	—	154,001	.55	260,000
	1962—6 mo. to June 30	3,767,524	—	227,159	.81	238,450
Meredith Publishing	1963—yr. to June 30	71,200,000	—	2,232,000	1.68	1,331,212
	1962—yr. to June 30	69,313,555	—	2,097,847	1.58	1,323,866
Howard W. Sams	1963—yr. to June 30	14,246,567 ³	1,774,513	945,020 ³	1.75	537,111
	1962—yr. to June 30	13,025,702	1,397,447	860,061	1.59	535,718
Terminal-Hudson Electronics	1963—6 mo. to June 30	6,915,983	—	82,473	.08	1,206,804
	1962—6 mo. to June 30	7,064,323	—	135,587	.13	1,206,804
Thompson-Starrett (Delmonico)	1963—6 mo. to June 30	18,722,580	—	308,531	.10 ¹	2,817,646
	1962—6 mo. to June 30	12,412,445	—	339,792 ²	.11 ¹	2,817,646
20th Century-Fox	1963—6 mo. to June 30	49,194,240	—	4,760,593	1.87	2,545,845
	1962—6 mo. to June 30	51,315,528	—	(12,456,457)	—	2,545,845
	1963—qtr. to June 30	25,233,062	—	2,468,457	.97	—
	1962—qtr. to June 30	18,648,000	—	(11,942,870)	—	—

Notes: ¹After preferred dividends. ²No income taxes required because of prior years' losses. ³Record.

Reeves Bcstg. & Development, which closed first half with profit jump to \$100,900 from \$7,600 in Jan. - June 1962 (Vol. 3:31 p12), obtained profitable operations from all divisions, Pres. J. Drayton Hastie noted in mid-year report to stockholders. Earnings from Broadcast Div., he said, "increased over 75%; the Studio Div. produced a substantial profit in place of a previous deficit." Working capital at end of half increased to \$466,600 from \$137,500 a year earlier, long-term debt dipped to \$3,474,700 from \$3,617,300.

Raytheon has filed patent infringement suits against Thermowave Corp. & subsidiary Thermowave Mfg., charging violation of 6 Raytheon patents for microwave cooking devices. It seeks injunction & damages. Raytheon has licensed various companies to manufacture microwave cooking devices under its patents. Licensed are Tappan, American Monarch, Rudd-Melikian, Di-Arco and Litton Industries. Litton recently announced formation of new division to make & market microwave cooking & heating ovens for commercial use (Vol. 3:33 p8).

Hewlett-Packard has received Japanese govt. approval to form jointly owned electronics firm with Tokyo-based Yokogawa Electric Works. Latter will own 51% of stock of new firm, Hewlett-Packard 49%. New company, slated to begin operations Oct. 1, will have authorized capital of \$5.6 million, initial paid-in capital of \$1.4 million.

Audio Devices has purchased assets of Sound Corp. of America, will transfer facilities of Worcester, Mass. maker of endless-loop cartridges, transports & playback units to its Stamford, Conn. magnetic tape plant.

Granco Products' 10% Chapter 11 plan (Vol. 3:32 p12) has been approved by majority of creditors, & Referee Sherman D. Warner has scheduled hearing on confirmation for 2 p. m., Sept. 12, in Jamaica, N. Y.

Avnet Electronics has purchased for cash "in excess of \$1 million" California-based Imperial Records, will incorporate it with subsidiary Liberty Records.